

DWS RREEF REAL ESTATE FUND, INC.  
Form N-Q  
November 29, 2006  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

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Investment Company Act file number 811-21172

DWS RREEF Real Estate Fund, Inc.

(Exact name of registrant as specified in charter)

One South Street

Baltimore, MD 21202

(Address of principal executive offices) (Zip code)

Paul Schubert

345 Park Avenue

New York, NY 10154

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 454-7190

Date of fiscal year end: 12/31

Date of reporting period: 09/30/06

Form N-Q is to be used by registered management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-4). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of

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Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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## ITEM 1. SCHEDULE OF INVESTMENTS

## Investment Portfolio

as of September 30, 2006 (Unaudited)

## DWS RREEF Real Estate Fund, Inc.

	Shares	Value (\$)
<b>Common Stocks 110.3%</b>		
<b>Apartments 16.9%</b>		
American Campus Communities, Inc. (REIT)	736,602	18,790,717
Apartment Investment & Management Co. "A" (REIT)	534,600	29,087,586
AvalonBay Communities, Inc. (REIT)	171,600	20,660,640
GMH Communities Trust (REIT)	305,500	3,855,410
Home Properties, Inc. (REIT)	62,300	3,561,068
		<b>75,955,421</b>
<b>Diversified 6.4%</b>		
iStar Financial, Inc. (REIT)	521,600	21,750,720
Spirit Finance Corp. (REIT)	578,950	6,721,610
		<b>28,472,330</b>
<b>Health Care 11.4%</b>		
Medical Properties Trust, Inc. (REIT)	237,000	3,173,430
National Health Realty, Inc. (REIT)	70,600	1,405,646
Senior Housing Properties Trust (REIT)	613,700	13,096,358
Ventas, Inc. (REIT)	868,800	33,483,552
		<b>51,158,986</b>
<b>Hotels 12.8%</b>		
Ashford Hospitality Trust (REIT)	979,850	11,689,610
Canyon Ranch Holdings LLC (REIT) (Units)	230,400	6,328,417
DiamondRock Hospitality Co. (REIT)	471,000	7,823,310
Eagle Hospitality Properties Trust, Inc. (REIT)	352,900	3,281,970
Hersha Hospitality Trust (REIT)	872,700	8,377,920
Hospitality Properties Trust (REIT)	76,100	3,591,920
Strategic Hotels & Resorts, Inc. (REIT)	690,900	13,735,092
Winston Hotels, Inc. (REIT)	218,293	2,689,370
		<b>57,517,609</b>
<b>Industrial 10.4%</b>		
First Industrial Realty Trust, Inc. (REIT)	376,200	16,552,800
Liberty Property Trust (REIT)	633,900	30,294,081
		<b>46,846,881</b>
<b>Office 23.5%</b>		
American Financial Realty Trust (REIT)	1,074,500	11,991,420
Digital Realty Trust, Inc. (REIT)	409,500	12,825,540
Equity Office Properties Trust (REIT)	77,000	3,061,520
Glenborough Realty Trust, Inc. (REIT)	248,100	6,383,613
Highwoods Properties, Inc. (REIT)	481,500	17,916,615
HRPT Properties Trust (REIT)	1,254,971	14,996,903
Lexington Corporate Properties Trust (REIT)	659,100	13,959,738
Mack-Cali Realty Corp. (REIT)	468,800	24,283,840
		<b>105,419,189</b>
<b>Other 1.8%</b>		
Crystal River Capital, Inc. 144A	167,500	3,832,400

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Deerfield Triarc Capital Corp. (REIT)	337,500	4,424,625
		<b>8,257,025</b>
<b>Regional Malls 16.7%</b>		
Feldman Mall Properties, Inc. (REIT)	436,300	4,812,389
Glimcher Realty Trust (REIT)	1,024,050	25,375,959
Simon Property Group, Inc. (REIT)	419,597	38,023,880
The Macerich Co. (REIT)	91,000	6,948,760
		<b>75,160,988</b>
<b>Shopping Centers 5.6%</b>		
Inland Real Estate Corp. (REIT)	363,700	6,372,024
Regency Centers Corp. (REIT)	274,000	18,840,240
		<b>25,212,264</b>
<b>Storage 4.8%</b>		
Extra Space Storage, Inc. (REIT)	1,233,797	21,357,026
		<b>495,357,719</b>
<b>Total Common Stocks</b> (Cost \$311,247,389)		
<b>Preferred Stocks 17.6%</b>		
<b>Apartments 1.3%</b>		
Associated Estates Realty Corp., 8.7%, Series II (REIT)	221,000	5,774,730
<b>Health Care 1.2%</b>		
LTC Properties, Inc., 8.0%, Series F (REIT)	225,000	5,640,750
<b>Hotels 6.3%</b>		
Eagle Hospitality Properties Trust, Inc., 8.25%, Series A (REIT)	176,800	4,480,784
Equity Inns, Inc., 8.75%, Series B (REIT)	498,000	12,979,125
Strategic Hotels & Resorts, Inc., 8.25%, Series B (REIT)	59,600	1,553,325
Strategic Hotels & Resorts, Inc., 8.5%, 144A (REIT)	167,500	4,271,250
Sunstone Hotel Investors, Inc., 8.0%, Series A (REIT)	196,500	5,023,031
		<b>28,307,515</b>
<b>Office 1.1%</b>		
Digital Realty Trust, Inc., 8.5%, Series A (REIT)	183,300	4,834,538
<b>Regional Malls 1.0%</b>		
Taubman Centers, Inc., 8.0%, Series G (REIT)	170,747	4,546,993
<b>Shopping Centers 6.6%</b>		
Cedar Shopping Centers, Inc., 8.875% (REIT)	150,000	3,988,500
Ramco-Gershenson Properties Trust, 9.5%, Series B (REIT)	208,000	5,567,120
The Mills Corp., 9.0%, Series C (REIT)	364,400	7,811,825
The Mills Corp., 8.75%, Series E (REIT)	190,000	3,940,600
Urstadt Biddle Properties, Inc., 8.5%, Series C (REIT)	75,000	8,217,187
		<b>29,525,232</b>
<b>Storage 0.1%</b>		
Public Storage, Inc., 10.0%, Series A (REIT)	12,800	349,696
		<b>78,979,454</b>
<b>Total Preferred Stocks</b> (Cost \$77,831,131)		
<b>Other 3.3%</b>		
Innkeepers USA Trust (REIT) (Limited Partnership) (a) (Cost \$8,662,730)	901,333	14,682,715
<b>Cash Equivalents 2.5%</b>		
Cash Management QP Trust, 5.34% (b) (Cost \$11,071,018)	11,071,018	11,071,018

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	% of Net Assets	Value (\$)
<b>Total Investment Portfolio</b> (Cost \$ 408,812,268)	133.7	<b>600,090,906</b>
<b>Other Assets and Liabilities, Net</b>	1.9	<b>8,845,218</b>
<b>Preferred Stock, at Redemption Value</b>	(35.6)	<b>(160,000,000)</b>
<b>Net Assets</b>	100.0	<b>448,936,124</b>

For information on the Fund's policies regarding the valuation of investments and other significant accounting policies, please refer to the Fund's most recent semi-annual or annual financial statements.

- (a) The Fund may purchase securities that are subject to legal or contractual restrictions on resale ("restricted securities"). Restricted securities are securities which have not been registered with the Securities and Exchange Commission under the Securities Act of 1933. The fund may be unable to sell a restricted security and it may be more difficult to determine a market value for a restricted security. Moreover, if adverse market conditions were to develop during the period between the Fund's decision to sell a restricted security and the point at which the Fund is permitted or able to sell such security, the Fund might obtain a price less favorable than the price that prevailed when it decided to sell. This investment practice, therefore, could have the effect of increasing the level of illiquidity of the Fund. The future value of these securities is uncertain and there may be changes in the estimated value of these securities.

Restricted Security	Acquisition Date	Cost(\$)	Value(\$)	As a % of Net Assets
Innkeepers USA Trust (REIT) (Limited Partnership)	November 2002- December 2004	8,662,730	14,682,715	3.3

- (b) Cash Management QP Trust, an affiliated fund, is managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.

144A: Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

REIT: Real Estate Investment Trust

At September 30, 2006, open interest rate swaps were as follows:

Effective/ Expiration Dates	Notional Amount (\$)	Cash Flows Paid by the Fund	Cash Flows Received by the Fund	Net Unrealized Appreciation (\$)
1/14/2004	40,000,000	Fixed 2.992%	USD Floating LIBOR BBA	1,111,828
1/14/2008	40,000,000	Fixed 3.247%	USD Floating LIBOR BBA	1,010,892
1/28/2003	40,000,000	Fixed 3.769%	USD Floating LIBOR BBA	1,445,476
1/28/2003	40,000,000	Fixed 4.258%	USD Floating LIBOR BBA	1,570,240
1/28/2010				
<b>Total net unrealized appreciation</b>				<b>5,138,436</b>

Counterparty:

USB AG

LIBOR: Represents the London InterBank Offered Rate.

BBA: British Bankers Association

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: DWS RREEF Real Estate Fund, Inc.

By: /s/Michael G. Clark  
Michael G. Clark  
President

Date: November 21, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Registrant: DWS RREEF Real Estate Fund, Inc.

By: /s/Michael G. Clark  
Michael G. Clark  
President

Date: November 21, 2006

By: /s/Paul Schubert  
Paul Schubert  
Chief Financial Officer and Treasurer

Date: November 21, 2006