

LMP REAL ESTATE INCOME FUND INC.
Form N-Q
May 22, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

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

Investment Company Act file number 811- 21098

LMP Real Estate Income Fund Inc.
(Exact name of registrant as specified in charter)

55 Water Street, New York, NY
(Address of principal executive offices)

10041
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

300 First Stamford Place

Stamford, CT 06902
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-451-2010

Date of fiscal year end: December 31

Date of reporting period: March 31, 2008

ITEM 1. SCHEDULE OF INVESTMENTS

LMP REAL ESTATE INCOME FUND INC.

FORM N-Q

MARCH 31, 2008

LMP Real Estate Income Fund Inc.

Schedule of Investments (unaudited)

March 31, 2008

Shares	Security	Value
COMMON STOCKS 66.5%		
Apartments 7.1%		
224,000	Camden Property Trust	\$ 11,244,800
95,000	Mid-America Apartment Communities Inc.	4,734,800
140,000	UDR Inc.	3,432,800
	Total Apartments	19,412,400
Diversified 2.6%		
330,000	iStar Financial Inc.	4,629,900
170,000	Lexington Corporate Properties Trust	2,449,700
	Total Diversified	7,079,600
Health Care 13.9%		
200,000	HCP Inc.	6,762,000
270,000	Healthcare Realty Trust Inc.	7,060,500
150,000	Nationwide Health Properties Inc.	5,062,500
405,000	OMEGA Healthcare Investors Inc.	7,030,800
500,000	Senior Housing Properties Trust	11,850,000
	Total Health Care	37,765,800
Industrial 3.1%		
155,000	DCT Industrial Trust Inc.	1,543,800
66,900	EastGroup Properties Inc.	3,108,174
240,000	First Potomac Realty Trust	3,688,800
	Total Industrial	8,340,774
Industrial/Office - Mixed 2.9%		
254,000	Liberty Property Trust	7,901,940
Lodging/Resorts 3.1%		
585,000	Ashford Hospitality Trust	3,322,800
146,000	Hospitality Properties Trust	4,966,920
	Total Lodging/Resorts	8,289,720
Office 11.9%		
305,000	Brandywine Realty Trust	5,172,800
105,000	Highwoods Properties Inc.	3,262,350
873,700	HRPT Properties Trust	5,880,001
135,000	Kilroy Realty Corp.	6,629,850
183,000	Mack-Cali Realty Corp.	6,534,930
134,500	Parkway Properties Inc.	4,971,120
	Total Office	32,451,051
Regional Malls 6.0%		
170,000	CBL & Associates Properties Inc.	4,000,100
196,000	Glimcher Realty Trust	2,344,160
142,000	Macerich Co.	9,978,340
	Total Regional Malls	16,322,600
Retail - Free Standing 4.3%		
225,000	National Retail Properties Inc.	4,961,250
265,000	Realty Income Corp.	6,789,300
	Total Retail - Free Standing	11,750,550

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Self Storage	1.5%		
	250,000	Extra Space Storage Inc.	4,047,500
Shopping Centers	6.7%		
	425,000	Cedar Shopping Centers Inc.	4,964,000
	137,000	Developers Diversified Realty Corp.	5,737,560
	250,000	Primaris Retail Real Estate Investment Trust	4,047,677

See Notes to Schedule of Investments.

LMP Real Estate Income Fund Inc.

Schedule of Investments (unaudited) (continued)

March 31, 2008

Shares		Security	Value
Shopping Centers	6.7% (continued)		
	86,000	Tanger Factory Outlet Centers Inc.	\$ 3,308,420
		Total Shopping Centers	18,057,657
Specialty	3.4%		
	185,000	Entertainment Properties Trust	9,126,050
		TOTAL COMMON STOCKS	
		(Cost \$149,400,755)	180,545,642
PREFERRED STOCKS	33.3%		
Apartments	5.0%		
	75,000	Apartment Investment & Management Co., Cumulative, Series G, 9.375%	1,836,750
	113,000	Apartment Investment & Management Co., Cumulative, Series U, 7.750%	2,557,190
	120,000	Apartment Investment & Management Co., Cumulative, Series Y, 7.875%	2,662,800
	195,000	BRE Properties Inc., Series C, 6.750%	4,169,100
	105,000	UDR Inc., 6.750%	2,479,575
		Total Apartments	13,705,415
Diversified	8.6%		
	175,000	Duke Realty Corp., 6.950%	3,932,250
	90,000		