SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-KSB

(Mark One)

[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT of 1934**
For the fiscal year ended December 31, 2001

OR

[ ] **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Transition period from ________ to ________

Commission file: Number 0-14453

NATIONAL REAL ESTATE LIMITED PARTNERSHIP INCOME PROPERTIES
(Name of Small Business Issuer in Its Charter)

Wisconsin	39-1503893
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1155 Quail Court, Pewaukee, Wisconsin	53072-3703
(Address of Principal Executive Offices)	(Zip Code)

(262) 695-1400
(Issuer=s Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

None

Securities registered under Section 12(g) of the Exchange Act:

Limited Partnership Interests
(Title of Class)

Check whether the issuer (1) filed all reports required to be filed by Sections 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
YES __X__ NO ____

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form to the best of registrant=s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [x]

Issuer=s total gross rental revenues for its most recent fiscal year ended December 31, 2001, were $ 743,909.

State the aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant as of December 31, 2001: indeterminate value as there is no market.*

*For purposes of this disclosure only.

The number of Limited Partnership interests outstanding as of December 31, 2001: 9,004.15

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the annual report to Partners for the year ended December 31, 2001 are incorporated by reference into Parts I and II.

TABLE OF CONTENTS

PART I

Item 1. Description of Business

ABusiness@ on pages 1, through 3 of the Partnership's annual report to Partners for the year ended December 31, 2001 is incorporated herein by reference.

Item 2. Description of Properties

AProperties@ on pages 3 and 4 of the Partnership's annual report to Partners for the year ended December 31, 2001, is incorporated herein by reference.

Item 3. Legal Proceedings

ALegal Proceedings@ on pages 4 through 5 of the Partnership's annual report to Partners for the year ended December 31, 2001, is incorporated herein by reference.

Item 4. Submission of Matters to a Vote of Security Holders

None

PART II

Item 5.Market for the Partnership's Securities and Related Security Holder Matters

a) Market Information

The Partnership has two classes of equity securities: General Partners Interests and Limited Partners Interests. The General Partnership Interests are held by the General Partners of the Partnership. As of December 18, 1986, the Partnership concluded its offering of Limited Partnership Interests (AInterests@) and 9,034.01 Interests had been sold to the public at a price of $1,000 per Interest. Management is not aware of any public trading market for the Interests. The Partnership does provide a repurchase pool whereby the limited partners may offer to sell their Interests to the Partnership at a specified price. Offers to sell are accepted semi-annually if they meet the criteria established by the General Partners. As of December 31, 2001, 29.86 Interests have been repurchased and are held in Treasury.

b) Security Holders

Title of Class	Number of Record Holders (as of December 31, 2001)	Number of Interests (as of December 31, 2001)
Limited Partnership Interests	1,127	9,004.15

c) Dividends or Similar Distributions

Cash distributions to Limited Partners depend upon attaining and thereafter maintaining operating income and expenses of the Partnership at levels permitting distributions. Distributions of cash, if any, will be made from: (i) Cash Available for Distribution; (ii) cash from property sales; and (iii) cash from Partnership reserve accounts.

ACash Available for Distribution@ is defined in the Partnership Agreement to include Cash Flow from the Partnership less amounts set aside for Reserves plus, through 1987, the amount of any General Partner Loan for such period. ACash Flow@ is defined as the Partnership's cash funds provided from operations and Reserves, including lease payments on net leases from builders and sellers, without deductions for depreciation, but after deducting cash funds used to pay all Operating Expenses, deferred fees, other expenses, debt payments, capital improvements and replacements. Mr. Vishnevsky, as Individual General Partner, was required to loan funds to the Partnership quarterly to the extent necessary to make Cash Available for Distribution to Limited Partners equal to 8% in 1985, 8.25% in 1986, and 8.5% in 1987, up to a maximum loan of 3% of the gross proceeds of the offering. Through December 31, 2001, the Individual General Partner loaned $271,020 to the Partnership under this commitment, which is the maximum amount under the commitment. This commitment expired December 31, 1987. The Individual General Partner shall be repaid with interest equal to 12% or the prime rate plus two percentage points, whichever is lower, solely from sale proceeds. The Partnership continued cash distributions in 2001 with an aggregate of $135,062 and $4,177 to its Limited Partners and General Partners, respectively. Distributions for 2001 were at a rate that equaled 1.5% on the Limited Partners' original capital investment. The General Partners anticipate that the Partnership will continue to make cash distributions to its Limited Partners in 2002, including a final liquidating distribution, though the level of such cash distributions will be dependent upon the results of property operations and amounts realized from property sales. There can be no assurance as to the amounts, if any, that may be distributed.

Cash Available for Distribution, as defined in the Agreement, will be distributed 97% to the Limited Partners and 3% to the General Partners. After the repayment of any General Partner Loans, cash from property sales will be distributed as follows: (1) 97% to the Limited Partners and 3% to the

General Partners until the Limited Partners have received (A) 100% of their initial capital investment and (B) cumulative, non-compounded distributions of sales proceeds, in excess of the amount required in (A), and Cash Available for Distribution equal to 6% per annum on their initial capital investment, with the 3% payable to the General Partners subordinated to payment of the amounts in (A) and (B) to the Limited Partners; (2) to an affiliate of the General Partners, an amount equal to its subordinated real estate commission (up to 3% of the aggregate selling price of all properties); and (3) the balance, if any, 88% to the Limited Partners and 12% to the General Partners, with such payments to the General Partners subordinated to a total return to the Limited Partners of (A) 100% of their initial capital investment plus (B) a cumulative preference of 10% per annum on their initial capital investment.

If the General Partners should at any time determine that the Reserves of the Partnership are in excess of the amount reasonably necessary under the circumstances, such Reserves may be reduced and the amount of such reduction may, in the sole discretion of the General Partners, be used for payment of expenses, capital expenditures, or distributions to the Limited Partners and the General Partners in accordance with the formula for Cash Available for Distribution.

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

AManagement's Discussion and Analysis of Financial Condition and Results of Operations@ on pages 6 through 8 of the Partnership's annual report to Partners for the year ended December 31, 2001, is incorporated herein by reference.

Item 7. Financial Statements

The financial statements included on pages 11 through 15 of the Partnership's annual report to Partners for the year ended December 31, 2001, are incorporated herein by reference.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with Kerber, Eck and Braeckel LLP, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act

(a-b) Directors and Executive Officers

The Partnership has no directors or officers. The General Partners of the Partnership are John Vishnevsky and EC Corp., a Wisconsin corporation of which Stephen P. Kotecki is the sole stockholder. John Vishnevsky has been a General Partner of the Partnership since its inception. EC Corp. became a general partner on June 20, 1991. National Development and Investment, Inc. ("NDII"), a former Wisconsin corporation of which Mr. Vishnevsky was the sold shareholder, had been a General Partner of the Partnership from the Partnership's inception, until NDII's dissolution effective October 1, 2001. The address of both General Partners is 1155 Quail Court, Pewaukee, Wisconsin 53072-3703. The phone number for John Vishnevsky is (262) 691-3122. The phone number for EC Corp. is (262) 695-1400.

The General Partners manage and control the affairs of the Partnership and have responsibility and ultimate authority in all matters affecting its business. The names of the directors and executive officers of EC Corp. are as follows:

Name	Office	Term Held Office(since)
EC Corp.:		
Stephen P. Kotecki	President, Treasurer, Director	10/30/92
Thomas Rielly	Vice President, Secretary, Director	12/17/92

Officers of the corporation are elected annually by its Boards of Directors. There is no arrangement or understanding between or among any of said directors or officers and any other person pursuant to which such individual was selected as a director or officer.

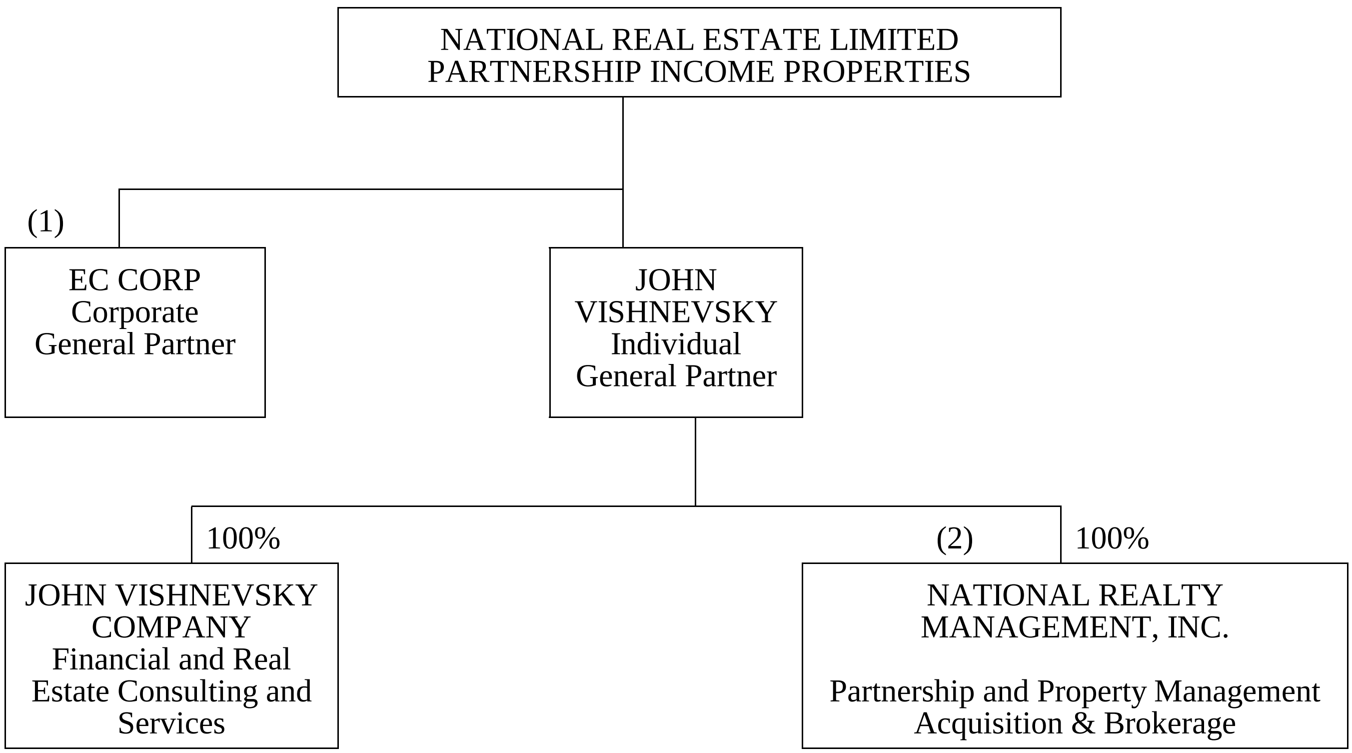
(c) Identification of Certain Significant Persons

The General Partners, in conjunction with their affiliates, believe that they have sufficient personnel to fully discharge their responsibilities to the Partnership. The Partnership employs various individuals to oversee the Partnership's affairs and report to the General Partners, but the Partnership relies directly on the General Partners for the management and control of the Partnership's affairs. See Subsection (d), for a description of the business experience of officers, directors, and personnel of the General Partners and affiliates.

There are two other organizations which are or were affiliated with the individual or corporate General Partner whose services are utilized by the Partnership: National Realty Management, Inc. (ANRMI@), which provides property and partnership management, real estate acquisition, and real estate brokerage services, and The John Vishnevsky Company (AJVCO@), which has provided consulting services in the areas of real estate investments, joint ventures, financing, systems, accounting, and internal controls.

RELATIONSHIP OF GENERAL PARTNERS AND THEIR AFFILIATES

The following diagram shows the relationship of the Partnership to various affiliates:



(1) The outstanding stock of EC Corp. is held by Mr. Stephen P. Kotecki (100%).

(2) Until February 6, 1998, the outstanding stock of NRMI was held by Mr. Edward Carow (51%), Ms. Anastasia Vishnevsky, Mr. John Vishnevsky's daughter, (25%), and Mr. Jeffrey Wussow (24%).
Since February 6, 1998, the outstanding stock is owned 100% by John Vishnevsky.

(d) Business Experience

The experience of the officers and directors of the corporate General Partner and of Mr. Vishnevsky includes the following:

John Vishnevsky Sole Shareholder of National Realty Management, Inc. is a graduate of Marquette University. For over 40 years he has been involved in real estate related activities such as land development, residential, apartment, and commercial construction, property management, and the structuring of limited partnerships. Mr. Vishnevsky has directed companies that have developed or constructed projects with a current market value of over $100 million. He, corporate entities he controls, or both, act as general partner for all NRMI limited partnerships. These partnerships have sold in excess of $160 million of limited partnership interests. Mr. Vishnevsky is licensed as a real estate broker. He has lectured frequently and taught courses in real estate at the University of Wisconsin-Milwaukee. He has appeared as a guest on television and radio programs related to real estate investments.

Mr. Vishnevsky is author of the following books: *The Art of Financial Independence, The Phantom Yield of Real Estate Investment, The Great Real Estate Disaster... The Great Real Estate Opportunity, Getting to Know You, Releasing Your Creativity, Principles* and *Don=t Feed the Crocodiles*.

Stephen P. Kotecki President, Treasurer, and Director of EC Corp., is a general securities registered representative, multi-line licensed insurance agent and entrepreneur. He is the sole stockholder of EC Corp. Mr. Kotecki holds a Bachelor of Science Degree with a major in Political Science from the University of Wisconsin-Whitewater, and a Master of Science Degree in Urban Affairs from the University of Wisconsin-Milwaukee. Mr. Kotecki directed research for the American Federation of State, County and Municipal Employees' District Council in Milwaukee County for over four years. Mr. Kotecki further has experience as a Regional Criminal Justice Planner and as a Housing Evaluation Specialist. As a college instructor Mr. Kotecki lectured courses in Business and Industrial Relations, Marketing and Investments for over three years.

Thomas P. Rielly Vice President, Secretary and Director of EC Corp., is a licensed general securities principal and a financial and operations principal. Mr. Rielly has been an active participant in the financial services industry for over 25 years. His diverse financial services experience includes professional assignments in the areas of venture capital, business planning and venture formation, investment banking, asset management and securities placement. Mr. Rielly has been associated with Mr. Vishnevsky and related companies for over 13 years.

Other personnel of the General Partners, affiliates, or other entities who were significantly involved in the Partnership's affairs include the following:

Joan Jenstead Director of Property Operations, has been involved in the management of over ten thousand apartment units in addition to commercial and condominium management nationwide. She is a Certified Property Manager and a licensed Wisconsin real estate broker. Ms. Jenstead attended the University of North Dakota, majoring in Business. In 1984, she was responsible for the recognition of NRMI as an Accredited Management Organization (AMO) by the Institute of Real Estate Management, (IREM). In 1988, she served as President of the local chapter of the Institute of Real Estate Management. She is also a member of the national faculty of IREM, a past faculty member of the Milwaukee Area Technical College, and a past President of the Board of Directors for the state of Wisconsin Technical College Trustee Association. In 1990, Ms. Jenstead was recognized for her accomplishments in higher education in AProfiles in Success@ published by the National Center for Higher Education. In 1994 she was elected a director on the National Board of the Association of Community College Trustees. In 2000 The Wisconsin Trustee Association recognized Ms. Jenstead’s community college service with a Lifetime Membership Award to the National Association.

John Vishnevsky is or was the Individual General Partner of National Real Estate Limited Partnership-II (NRELP-II), National Real Estate Limited Partnership-III (NRELP-III), National Real Estate Limited Partnership-IV (NRELP-IV), National Real Estate Limited Partnership-V (NRELP-V), National Real Estate Limited Partnership-VI (NRELP-VI), National Real Estate Limited Partnership Income Properties-II (NRELP-IP-II) and the Partnership, among others. NDII was the corporate general partner of NRELP-IV, NRELP-V, NRELP-VI, NRELP-IP-II, and the Partnership, among others. EC Corp. is or was the corporate general partner of NRELP-VI, NRELP-IP-II and the Partnership, among others.

Section 16(a) Beneficial Ownership Reporting Compliance

To the best of management=s knowledge, there are no violations of this requirement.

Item 10. Executive Compensation

As stated above, the Partnership has no officers or directors. The officers and directors of the Corporate General Partner receives no current or proposed direct remuneration in such capacities, pursuant to any standard arrangement or otherwise, from either the Corporate General Partner or from the Partnership.

Pursuant to the terms of the Limited Partnership Agreement, net profits and losses from operations and Cash Available for Distribution are allocated 97% to the Limited Partners and 3% to the General Partners. For such 3% interest, the General Partners contributed $6,000 to the Partnership. For the fiscal period ended December 31, 2001, this interest resulted in net taxable income to the Individual General Partner in the amount of approximately $1,210. Cash distributions of $4,177 were made to the Individual General Partner in 2001.

Cash Available for Distribution, as defined in the Agreement, will be distributed 97% to the Limited Partners and 3% to the General Partners. After the repayment of any General Partner loans, sales proceeds will be distributed as follows: (1) 97% to the Limited Partners and 3% to the General Partners until the Limited Partners have received (A) 100% of their initial capital investment and (B) cumulative, non-compounded distributions of sales proceeds, in excess of the amount required in (A), and Cash Available for Distribution equal to 6% per annum on their initial capital investment, with the 3% to the General Partners subordinated to payment of the amounts in (A) and (B) to the Limited Partners; (2) to an affiliate of the General Partners, an amount equal to its subordinated real estate commission (up to 3% of the aggregate selling price of all properties); (3) 88% to the Limited Partners and 12% to the General Partners, with such payments to the General Partners subordinated to a total return to the Limited Partners of (A) 100% of their initial capital investment plus (B) a cumulative preference of 10% per annum on their initial capital investment.

The Partnership is engaged in various transactions with affiliates of the General Partners.

Property management fees are payable currently to the General Partners or affiliates of the General Partners. Fees for property management and rental services are being charged to expense over the period property management services are being performed.

The General Partners are general partners for other limited partnerships which have invested in real estate. The Partnership reimburses affiliates of the General Partner for the actual cost of goods and materials used by or for the Partnership in the course of performing the general functions of the Partnership. These general functions include certain management, accounting and other expenses. National Realty Management, Inc. provides property management, partnership management, accounting, and administrative services that are charged to the Partnership.

The contracts between the Partnership and affiliates provide that the compensation, price, or fee payable to such affiliates must be comparable and competitive with the compensation, price, or fee which would be charged by unaffiliated persons whose services could reasonably be made available to the Partnership. The General Partners believe compensation to affiliates for services to the Partnership was on terms no less favorable to the Partnership than would have been available through arm's-length negotiations for similar services from unrelated parties.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(a) Persons or groups known by the Partnership to own beneficially more than 5% of the outstanding Interests of the Partnership are indicated below:

	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Limited Partnership Interests	Thea J. Peterson 25 Utopia Circle Sturgeon Bay, WI 54235	500 Interests Individual Ownership	5.55%

(b) By virtue of its organization as a limited partnership, the Partnership has no officers or directors. The General Partners are responsible for management of the Partnership, subject to certain limited democracy rights of the Limited Partners described in the Limited Partnership Agreement. Persons or entities performing functions similar to those of officers and directors of the Partnership, beneficially own, in the aggregate, the following Interests of the Partnership as of December 31, 2001:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Limited Partnership Interests	John Vishnevsky	29.56 Interests Sole Investment Power	0.33%
Limited Partnership Interests	Stephen P. Kotecki	4 Interests Sole Investment Power	0.04%

(c) There is no arrangement known to the Partnership which may, at a subsequent date, result in a change in control of the Partnership; however, the Partnership has been named as a nominal defendant in certain litigation which will likely limit the authority of the General Partners to sell Partnership property (See Exhibit 13, Legal Proceedings).

Item 12. Certain Relationships and Related Transactions

Neither the General Partners nor their affiliates were indebted to the Partnership during the year ended December 31, 2001.

There were no transactions with management other than the Partnership's transactions with the General Partners and affiliates, as described in this report at Items 9 and 10.

Item 13. Exhibits, List, and Reports on Form 8-K

(A) Exhibits

See attached exhibit list which is incorporated by reference.

(B) Reports on Form 8-K for the Quarter ended December 31, 2001

None

(C) Exhibits

3(a) Limited Partnership Agreement. Incorporated by reference from Prospectus previously filed with Registration Statement 2-95072 on Form S-11 effective January 31, 1985.

3(b) Certificate of Limited Partnership. Incorporated by reference from Exhibit 3B of the Registration Statement 2-95072 on Form S-11 filed December 20, 1984.

4 Subscription Agreement Evidencing Ownership of a Partnership Interest. Incorporated by reference from Registration Statement 2-95072 on Form S-11 effective January 31, 1985.

10(a) Consulting Fee Agreement between the Partnership and NDII dated January 31, 1985. Incorporated by reference from 1985 10-K filed March 28, 1986.

10(b) Acquisition Agreement between the Partnership and NDII dated January 31, 1985. Incorporated by reference from 1985 10-K filed March 28, 1986.

10(c) Organization Expense Agreement between the Partnership and NDII dated January 31, 1985. Incorporated by reference from 1985 10-K filed March 28, 1986.

10(d) Contracts for Acquisition of AssetsC

(1) With respect to Lock-It Lockers Mini-Warehouse, Tucson, Arizona: Incorporated by reference from Exhibit 2-1 to current report on Form 8-K dated May 7, 1985; July 9, 1985; August 9, 1985; and September 13, 1985.

(2) With respect to Lock-It Lockers Mini-Warehouse, Phoenix, Arizona: Incorporated by reference from Exhibit 2-1 to periodic report on Form 8-K dated January 1, 1986; February 1, 1986; and April 2, 1986.

(3) With respect to Cave Creek Mini-Warehouses, Phoenix, Arizona: Incorporated by reference Exhibit 2-1 to periodic report on Form 8-K dated April 30, 1987.

(4) With respect to Northridge Commons Shopping Center, Milwaukee, Wisconsin: Incorporated by reference Exhibit 2-1 to periodic report on Form 8-K dated May 28, 1987.

10(e) Escrow Agreement dated January 31, 1985. Incorporated by reference from Exhibit 10 to Amendment No. 1 to Registration Statement 2-95072 effective January 31, 1985.

10(f) Management Consulting Delegation of Duties Agreement between General Partners and NRMI dated May 28, 1991. Incorporated by reference from the 1991 10-K filed March 27, 1992.

10(g) Co-General Partner Agreement dated June 20, 1991. Incorporated by reference from Exhibit 5-1 to current report on 8-K dated July 26, 1991.

10(h) Property Management Agreement between the Partnership and NRMI dated November 1, 1995. Incorporated by reference herein. (See 12-31-98 Form 10K SB)

10(i) Sublease Agreement between the Partnership and NRMI dated February 1, 1998. Incorporated by reference herein. (See 12-31-98 Form 10K SB)

*13 National Real Estate Limited Partnership Income Properties 2001 Annual Report to Partners is included as an exhibit hereto for those portions of such annual report specifically incorporated by reference elsewhere herein.

(D) Financial Statement Schedules

* Filed with this Report.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NATIONAL REAL ESTATE LIMITED PARTNERSHIP INCOME PROPERTIES
(Registrant)

Dated: March_31,_2002__ By: /S/ John Vishnevsky
John Vishnevsky
Individual General Partner

Dated: March_31,_2002_ By: /S/ John Vishnevsky
John Vishnevsky
Individual General Partner

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities* and on the dates indicated:

/S/ Stephen P. Kotecki Stephen P. Kotecki	President, Treasurer and Director EC Corp.	_March 31, 2002 (dated)
/S/ Thomas Rielly __ Thomas Rielly	Vice President, Secretary and Director EC Corp	_March 31, 2002 (dated)

* The indicated positions are held in the Corporate General Partner of the Registrant.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NATIONAL REAL ESTATE LIMITED PARTNERSHIP INCOME PROPERTIES
(Registrant)

Dated: March 31, 2002 By: ____________________________
John Vishnevsky
Individual General Partner

Dated: March 31, 2002 By: ____________________________
John Vishnevsky
Individual General Partner

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities* and on the dates indicated:

Stephen P. Kotecki	President, Treasurer and Director EC Corp.	March 31, 2002 (dated)
Thomas Rielly	Vice President, Secretary and Director EC Corp	March 31, 2002 (dated)

* The indicated positions are held in the Corporate General Partner of the Registrant.

EXHIBIT 13

NATIONAL REAL ESTATE LIMITED PARTNERSHIP INCOME PROPERTIES

Business

The Registrant, National Real Estate Limited Partnership Income Properties (the APartnership@), is a limited partnership organized under the Wisconsin Uniform Limited Partnership Act pursuant to a Certificate and an Agreement of Limited Partnership, each dated December 18, 1984. As of December 31, 2001, the Partnership consisted of an Individual and a Corporate General Partner and 1,124 Limited Partners owning 9,004.15 limited partnership interests (the AInterests@) acquired at a public offering price of $1,000 per Interest ($9,024,556 net of affiliate discounts). The Interests were sold commencing January 31, 1985, pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933 (Registration #2-95072) as amended. The offering of Interests was concluded on December 18, 1986. The Individual General Partner is John Vishnevsky and the Corporate General Partner is EC Corp., a Wisconsin corporation. National Development and Investment, Inc. (NDII), a former Wisconsin corporation of which Mr. Vishnevsky was the sole shareholder, had been a General Partner of the Partnership from the Partnership's inception, until dissolution effective October 1, 2001. All management decisions are the responsibility of the General Partners.

The Partnership's primary objective was to acquire existing commercial space, such as office buildings, shopping centers, and mini-warehouses, though it was also permitted to acquire existing residential properties from non-affiliated sellers. Although the Partnership intended to acquire existing properties, it was permitted to acquire properties which were recently completed. The Partnership's principal investment objectives are to invest in real estate properties which will:

1) preserve and protect the Limited Partners' capital investment;

2) provide quarterly distributions of cash from operations, commencing December 31, 1985; and

3) provide capital appreciation through increases in the value of the Partnership's real estate assets.

The Partnership is in the process of sale and disposition of all of its property holdings, at which time the Partnership will commence to liquidate its operations as soon as feasibly possible, depending upon, among other factors, federal income tax consequences to its limited partners and approval of a majority of limited partnership interests. Liquidation is expected to occur in 2002.

The Partnership owned and operated three investment properties in 2001. During the fiscal year ended December 31, 1985, the Partnership acquired Lock-It Lockers Mini-Warehouse, a self storage mini-warehouse rental complex located in Tucson, Arizona (ATucson Lock-It Lockers@). Tucson Lock-It Lockers was acquired in four separate Parcels as follows: Parcel I (21,670 net rentable square feet) effective May 1, 1985; Parcel II (15,575 net rentable square feet) effective July 1, 1985; Parcel III (6,845 net rentable square feet) effective August 1, 1985; and Parcel IV (5,795 net rentable square feet) effective September 1, 1985. In 1986, the Partnership continued its investment in properties by acquiring an additional Lock-It Lockers

Mini-Warehouse located in Phoenix, Arizona (APhoenix Lock-It Lockers@), in three separate parcels, as follows: Parcel I (18,600 net rentable square feet) effective January 1, 1986; Parcel II (17,625 net rentable square feet) effective February 1, 1986; and Parcel III (22,541 net rentable square feet including 8,000 net rentable square feet for recreational vehicle storage) effective April 1, 1986. The Partnership completed its investment in properties during the fiscal year ended December 31, 1987, when it purchased the following two investment properties: a parcel of land containing one building plus part of a second building out of a total of five buildings of Cave Creek Mini Warehouses in Phoenix, Arizona, and Northridge Commons Shopping Center, a community shopping center located in Milwaukee, Wisconsin; however, Northridge Commons was sold December 15, 1999. These properties, with the exception of Northridge Commons, are described more fully in this report in Properties. Cave Creek was managed by Enterprise Growth Group (AEGG@) from the time the property was purchased through October, 1991. As of November 1, 1991, National Realty Management, Inc. (ANRMI@) took over management of the property. All other Partnership properties were managed by NRMI since their purchase.

The real estate investment business is highly competitive. The Partnership's properties are in competition for tenants with numerous other alternative sources for storage or shopping center space.

The Partnership is not dependent upon any single tenant for its operating success. The Partnership does not foresee any events or market trends which would have a materially adverse affect upon the Partnership's revenues, except for increased competition for tenants, which is discussed in the section entitled Results of Operations of this report.

During 2001, the Partnership employed three full-time and five part-time on-site personnel in the following capacities: three managers, three rental agents, two cleaning/maintenance persons. In addition, due to the centralized nature of the Partnership's accounting and management systems, another 12 employees provided various accounting and management services to this and other partnerships. All on-site and partnership employees are supervised by NRMI under its Management Consulting Delegation of Duties and Property Management Agreements with the Partnership.

The Partnership is engaged solely in the business of investing in and managing real estate. Its business is believed by management to fall entirely within a single industry segment. The business of the Partnership is not seasonal, although the Partnership's properties may experience cyclical fluctuations in occupancy levels in the rental markets where they are located.

The General Partners are general partners for other limited partnerships that have invested in real estate which may be competitive with the Partnership.

There may be conflicts of interest between the Partnership and the General Partners at such time as the Partnership attempts to sell its properties or may compete for tenants with the Partnership's investments. If properties are being sold, the General Partners will attempt to give equal exposure to competing properties and will sell solely on the basis of purchaser preference. The General Partners will establish asking prices based upon market conditions. The General Partners will follow a policy of renting first on the basis of the tenants' preference and then on the basis of greatest vacancy. In the hiring of resident building managers, the General Partners will follow a policy of filling the oldest vacancy first.

The Partnership, by virtue of its ownership in real estate, is subject to federal and state laws and regulations covering various environmental issues. The General Partners are not aware of any potential liability related to environmental issues or conditions that would be material to the Partnership.

Properties

The properties in which the Partnership has invested are owned in fee simple, described more fully at Notes to Financial Statements (Note E). The principal factors which the General Partners believe affect rental rates and occupancy levels include location, ease of access, amenities, and the quality of property management.

Tucson Lock-It Lockers

Tucson Lock-It Lockers is located on 2.057 fully improved acres at 6560 East Tanque Verde Road, Tucson, Arizona. Tucson Lock-It Lockers consists of seven single-story buildings containing a total of 598 units which were constructed in 1976. Tucson Lock-It Lockers has an aggregate of 49,865 net rentable square feet (57,710 gross) with a unit mix that varies. Management has the ability to subdivide some of the larger units in accordance with market demand. Features of Tucson Lock-It Lockers include fire walls and exterior passage doors constructed of solid-core steel hinged in steel frames. Security at Tucson Lock-It Lockers is provided by a resident manager and a fenced perimeter with single-gate access. In addition to the seven warehouse buildings, there is an on-site office/apartment. Limited customer parking spaces are available.

Phoenix Lock-It Lockers

Phoenix Lock-It Lockers is located on 3.1 fully improved acres at 10250 North 19th Avenue, Phoenix, Arizona. The complex consists of three single-story buildings containing a total of 569 units and 39 outside RV spaces which were constructed in 1976. Phoenix Lock-It Lockers has an aggregate of 62,016 net rentable square feet (66,200 gross) with a unit mix that varies. Management has the ability to subdivide some of the larger units according to market demand. Features of the complex include fire walls and exterior passage doors constructed of solid-core steel hinged in steel frames. Security in the complex is provided by electronic surveillance cameras with a motion detector that provides the resident manager with the ability to monitor the property during the day and night. There is also a fenced perimeter with a single-gate access to the property which provides additional security. In addition to the three warehouse buildings, there is an on-site office/apartment. Customer parking spaces are available.

Cave Creek Mini-Warehouse

Cave Creek Mini-Warehouse is located at 1201 East Cinnabar Avenue, Phoenix, Arizona, on approximately 1.7 acres (the AComplex@). The 728 unit Complex consists of three individual one story and two individual two story buildings. The Partnership's ownership consists of one one-story building and part of one two-story building of the Complex, of which construction was completed in 1985. The Partnership has an interest in the remaining portions of the Complex for access and use of the business office facilities. National Real Estate Limited Partnerships Income Properties II, another limited partnership of which the General Partners are general partners, owns the other portion. Security in the Complex is provided by a resident manager and a fenced perimeter with single-gate access.

The Complex has an aggregate of 46,283 net rentable square feet. The Partnership's property contains approximately 8,200 net rentable square feet, or approximately 18% of the total net rentable square feet of the Complex. Units can be subdivided, if appropriate, in light of demand; therefore, the total unit count may fluctuate. At the time of purchase, the Partnership's property was divided into 91 units.

The Tucson and Phoenix real estate rental markets are highly competitive. For a further discussion of occupancy rates, see Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this report. Additional mini-warehouse projects may be built within the Tucson and Phoenix areas, which may compete directly with the Partnership's properties.

The General Partners believe that the Partnership is adequately covered by insurance on the properties.

Legal Proceedings

On May 25, 1999, the general partners, the property management company (NRMI), and other entities and individuals were named as defendants in a lawsuit (the "Vishnevsky Defendants"). The Partnership was not included in the original lawsuit but was later added to the action as a nominal defendant. The plaintiffs sought to have this action certified as a class action lawsuit. In the complaint, the plaintiffs alleged wrongdoing against the Vishnevsky Defendants in connection with two basic areas. First, allegations were made involving various vote solicitations alleged by the plaintiffs to be an effort to perpetuate the Partnerships and avoid liquidation. Second, allegations were made involving the taking and use of Partnership funds and property, including excessive fees and unauthorized expenses. On March 14, 2000, the parties to the litigation with the exception of the defendant Wolf & Company entered into a Stipulation of Settlement.

Based upon the Stipulation, on April 27, 2000, the Circuit Court of Waukesha County held a hearing which certified the case as a class action and approved terms of a settlement. The more significant terms of the Stipulation of Settlement are as follows:

> An independent marketing agent (the “Partnerships’ Representative”) was appointed to market and sell the Partnership investment property. However, no offer to purchase the property will be accepted without first obtaining approval from a majority interest of the limited partners. Final distributions of the net proceeds received from a sale of the Partnership’s investment property will be made in accordance with the terms of the Partnership’s limited partnership agreement and prospectus, and upon providing 20-day notice to the plaintiffs’ attorney. Net proceeds will first be applied to pay plaintiffs' counsel's legal fees, expenses and costs, with interest thereon. At the present time (4-1-02) Lock-it Lockers, Tucson and Cave Creek Parcel I are under contract to be sold. Lock-it Lockers, Phoenix is subject to a Letter of Intent.
>
> Interim distributions to limited partners will continue to be made in accordance with the limited partnership agreement. However, upon final approval of the Settlement, distributions were increased to the extent that sufficient reserves were established to support normal partnership operations and the wind-up of Partnership affairs upon the

sale of the investment property. Any such additional distributions were made within 30 days of the final approval of the Settlement.

NRMI and the general partners shall continue to provide management and consulting services to the Partnership until the investment property is sold and assets liquidated and the Partnership entity dissolved. NRMI will also be the listing broker for the sale of the Partnership properties.

The plaintiffs' claims made against NRMI, the general partners, and other related parties for excessive charging of expenses to the partnerships, including the Partnership, were to be resolved through binding arbitration. Any such expenses disallowed through arbitration shall be reimbursed to the partnerships.

At the April 27, 2000 hearing, the lawsuit was certified as a non-opt out class action, in which all limited partners of the Partnership are required to be included in the settlement of this litigation. Furthermore, the Court ruled that plaintiffs' counsel's attorney fees would be equal to one-third of the difference between the secondary market value of the Partnership interests and the total funds available for distribution to the limited partners after payment of all Partnership obligations.

On June 20, 2000, the Court entered a judgment based upon its April 27th decision. Thereafter, on July 21, 2000, the Court held a hearing on the plaintiffs' Motion for Enforcement of the Court Approved Settlement and in Support of Sanctions. The outcome of the hearing was that the Court granted sanctions totaling $437,000.00 against the Vishnevsky Defendants and their counsel for delaying the appointment of the Partnerships' Representative and the arbitrators. The Court took under advisement the remaining open issue regarding the secondary market value for computing the plaintiffs' counsel's attorney fees until the arbitration proceedings are completed and the Partnerships' properties are sold.

On August 2, 2000, the Vishnevsky Defendants filed an appeal from that portion of the judgment determining the method for computing the plaintiffs' counsel's attorney fees. On October 10, 2000 the Vishnevsky Defendants and their counsel filed a second appeal from the order granting the sanctions. A motion to consolidate the two appeals was granted. On October 24, 2001, the Court of Appeals rendered its decision with respect to both appeals. The Court affirmed the lower court ruling respecting the determination of the attorneys fees, but reversed the Order imposing the sanctions for delay in implementing the Settlement Agreement based upon the lower court's erroneous view of the effective date of the Stipulation of Settlement.

The Arbitration panel was selected. The arbitration was tentatively set for hearing the weeks of February 11, and 18, 2002. On February 11, 2002 the parties settled the arbitration issue (the "Arbitration Settlement"). The Arbitration Settlement provides in part that Mr. Vishnevsky will pay into the Settlement Fund an amount equal to the cash distribution he receives from each Partnership for his general and limited partnership interests together with an amount equal to the amount he receives for the repayment of all loans and deferred management fees due him from the Partnerships minus the sum of $1,300,000.00 to cover Mr. Vishnevsky's tax liability generated by the sale of the Properties and other expenses. Mr. Vishnevsky will retain the commissions due to NRMI and will receive the return of the sanctions money.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Information contained in this Annual Report on Form 10-KSB contains 'forward-looking statements' within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by the use of forward-looking terminology such as 'may', 'will', 'expect', 'anticipate', 'estimate', or 'continue' or the negative thereof or other variations thereon or comparable terminology. There are a number of important factors with respect to such forward-looking statements, including certain risks and uncertainties, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Such factors, which could adversely affect the Partnership's ability to obtain these results, include, among other things, (i) the volume of transactions and prices for real estate in the real estate markets generally, (ii) a general or regional economic downturn which could create a recession in the real estate markets, (iii) the Partnership's debt level and its ability to make interest and principal payments, (iv) an increase in expenses related to new initiatives, investments in people and technology, and service improvements, (v) the success of the new initiatives and investments, and (vi) other factors described elsewhere in this Annual Report.

Liquidity and Capital Resources

The Partnership commenced an offering to the public on January 31, 1985, of up to 15,000 Interests at $1,000 per Interest pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933. A total of 3,767.26 Interests were sold in 1985 ($3,760,356). From January 1, 1986, to December 18, 1986, at which time the offering was concluded, an additional 5,266.75 Interests were sold ($5,264,200). After deducting offering costs, the Partnership had $8,026,434 with which to purchase the investment properties, described in this report in Properties, to pay costs related to purchasing such properties and to meet capital requirements for operations.

The Partnership does not have any permanent, long-term financing nor any other financing on its investment properties and does not intend to incur any during the Partnership's life. The Partnership does not have any other present or planned material commitments for capital improvements.

The General Partners committed to make loans to the Partnership to the extent necessary for the Partnership to make cash distributions to the Limited Partners equal to 8% in 1985, 8.25% in 1986, 8.5% in 1987. However, the maximum the General Partner was required to loan was equal to 3% of the gross offering proceeds. Through December 31, 2001, the Individual General Partner loaned $271,020 to the Partnership under this commitment, which is the maximum amount under the commitment. The General Partner=s loan shall be repaid with interest equal to 12% or the prime rate plus two percentage points, whichever is lower, solely from sale proceeds of the investment properties. As of December 31, 2001, $108,639 of accrued interest remains outstanding on the General Partner loan; $746,906 was paid to the General Partner in 1999 from the proceeds of the sale of Northridge Commons. During 2001, the Partnership continued distributions with a total of $135,062 to its Limited Partners and $4,177 to the General Partners. The distributions for 2001 equaled 1.5% of the Limited Partners investment. The pay rates prior to 1988 were supplemented by the General Partner Loans, as described above, and the operating results of the properties have not advanced as originally projected. The Partnership's ability to maintain and or increase distributions during 2002 is dependent upon the results of property operations or amounts realized from the sale of properties and therefore no assurance as to the distribution amount, if any, can be made.

Cash generated by the Partnership's investment properties and the sale of such properties are expected to provide funds for the Partnership=s liquidity needs and any cash distributions to the Limited Partners.

Results of Operations

The Partnership operated three investment properties during 2001. The Partnership began operations in 1985 and made additional property purchases in 1986 and 1987.

Rental rates in 2001 at Tucson Lock-It Lockers continued to range from $28 to $160 depending on the size of the unit. Average occupancy at Tucson Lock-It Lockers was 91% during 2001, compared to 91% in 2000. Marketing efforts are directed primarily toward Yellow Pages advertising which is the main source of traffic. Signs on Tanque Verde have been upgraded in order to lead prospective clients around the corner to the main entrance. There is a marketing program in place with neighboring businesses to share coupon advertising at several locations. Management participates in the Tanque Verde Business Association and continues to participate in its marketing and advertising programs. Competition studies done by management and those done by The Arizona Mini Storage Association show a Tucson area vacancy rate ranging from 5% to 15%. The property is more occupied than the neighboring facilities. Newer facilities being built in the area have slightly affected occupancy. Most of the competition has higher rents because of their amenities, controlled access gates, and air-cooled lockers.

Rental rates are based on unit size at Phoenix Lock-It Lockers and ranged from $35 to $235 in 2001. Average annual occupancy at the property was 88% for 2001 and 88% in 2000. Management uses the Yellow Pages for advertising as well as using client referral coupons, and offering discounts to existing clients for bringing us new clients. Rate increases will need to remain conservative. The management competition study and information gathered from the Arizona Mini Storage Association indicate the surrounding area has vacancy rates ranging from 7% to 33%. The market continues to soften in the Phoenix area because of overbuilding of self-storage facilities in the immediate area of the property. The business suites are 100% occupied, with all suites on at least a six month lease.

At Cave Creek Lock-It Lockers asking rents continued to range from $13 to $145 in 2001, based on unit size. Average annual occupancy was 88% in 2001 and 89% in 2000. Marketing efforts are directed primarily through the use of Yellow Pages advertising, which is the main source of traffic. Management uses resident referral coupons for all current tenants, offering a discount if they refer new clients. The managers are marketing the lockers to neighboring businesses and apartment communities, using neighborhood business coupon flyers. The General Partners believe marketing efforts and excellent customer service will help occupancy to continue to remain strong. The marketplace for Cave Creek Lock-It-Lockers continues to soften. Management competition study and information received from the Arizona Mini Storage Association indicates a high vacancy rate will continue throughout the surrounding area and immediate neighborhood. The property is being affected by lower interest rates that are allowing our tenants to purchase homes with their own storage space, and by continued over-building of storage facilities.

Net income increased $10,155 from 2000 to 2001 due to, in part, the net effect of a $36,478 decrease in administrative expenses, and a $19,698 decrease in interest income.

The $36,478 decrease in administrative expenses is primarily due to a $23,503 decrease in legal fees from 2000 to 2001, and a $13,526 decrease in salaries and temporary wages from 2000 to 2001.

The $19,698 decrease in interest income is primarily due to a reduction in cash on hand due to distributions, and decreased interest rates in 2001 as compared to 2000.

Inflation

The General Partners believe the Partnership's ability to increase rental rates would offset any adverse effects from inflation on the Partnership's cost of operations. Inflation may also tend to cause capital appreciation of the Partnership's properties over a period of time as rental rates and replacement costs of properties continue to increase. However, the effects of inflation in real estate may be influenced by general or local economic conditions. Future results are subject to uncertainty and the ability of the Partnership to achieve certain results is largely beyond the control of the General Partners and their affiliates.

Independent Auditors' Report

The Partners
National Real Estate Limited Partnership
Income Properties

We have audited the accompanying statement of net assets in liquidation of National Real Estate Limited Partnership Income Properties (a Wisconsin limited Partnership) as of December 31, 2001, and the related statement of changes in net assets in liquidation as of December 31, 2001, and statements of income, partners' capital (deficit) and cash flows for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note A to the financial statements, liquidation of Partnership properties is expected during 2002, and the Partnership began liquidation shortly after December 31, 2001. As a result, the Partnership changed its basis of accounting for periods after December 31, 2001, from the going concern basis to the liquidation basis.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation of the Partnership as of December 31, 2001, and the changes in net assets in liquidation as of December 31, 2001, and the results of its operations and its cash flows for the years ended December 31, 2001 and 2000, in conformity with accounting principles generally accepted in the United States of America applied on the bases of accounting described in the preceding paragraph.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The attached balance sheet of the corporate general partner, EC Corp., as of December 31, 2001, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Regulation S-B of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying statement of financial condition as of December 31, 2001, of John Vishnevsky, general partner, is also supplementary information required by Regulation S-B and was not audited by us and, accordingly, we do not express an opinion on it.

KERBER, ECK & BRAECKEL LLP

Springfield, Illinois
February 11, 2002, except for Note D,
as to which the date is April 1, 2002

National Real Estate Limited Partnership
Income Properties

STATEMENT OF NET ASSETS IN LIQUIDATION
(Liquidation Basis)

December 31, 2001

ASSETS

Investment properties, at estimated liquidation value	
Buildings, improvements, and land	$ 4,080,179
Cash and cash equivalents	296,983
Escrow deposits and other assets	36,458
Estimated arbitration settlement receivable	234,073
Total assets	4,647,693

LIABILITIES

Tenant security deposits	4,223
Accrued expenses and other liabilities	116,862
Deferred rent	39,803
Accrued interest payable to individual general partner	108,639
Note payable to individual general partner	271,020
Reserve for plaintiff's attorney fees	77,199
Reserve for future liquidation expenses	159,924
Total liabilities	777,670
Net assets in liquidation	$ 3,870,023

The accompanying notes are an integral part of this statement.

National Real Estate Limited Partnership
Income Properties

STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION
(Liquidation Basis)

December 31, 2001

PARTNERS' CAPITAL - DECEMBER 31, 2001, before liquidation basis adjustments	$ 2,508,269
Liquidation basis adjustments	
Adjustment of estimated values	1,364,804
Reserve for plaintiff's attorney fees	(77,199)
Reserve for future liquidation expenses	(159,924)
Estimated arbitration settlement receivable	234,073
NET ASSETS IN LIQUIDATION - DECEMBER 31, 2001	$ 3,870,023

The accompanying notes are an integral part of this statement.

National Real Estate Limited Partnership
Income Properties

STATEMENTS OF INCOME
(Going Concern Basis)

Year ended December 31

	2001	2000
Operating revenues		
Rentals	$ 743,909	$ 766,866
Other	42,260	29,609
Total operating revenues	786,169	796,475
Operating expenses		
Operating	208,934	209,166
Administrative	207,040	243,518
Repairs and maintenance	25,078	30,968
Depreciation	143,662	143,815
Property taxes	118,471	111,335
Advertising	18,956	19,954
Total operating expenses	722,141	758,756
Income from operations	64,028	37,719
Other income (expenses)		
Interest expense on individual general partner note	(32,988)	(36,532)
Interest income	9,296	28,994
Total other expenses	(23,692)	(7,538)
Net income	$ 40,336	$ 30,181
Net income attributable to general partners (3%)	$ 1,210	$ 905
Net income attributable to limited partners (97%)	39,126	29,276
	$ 40,336	$ 30,181
Net income per limited partnership interest	$ 4.33	$ 3.24

The accompanying notes are an integral part of these statements.

National Real Estate Limited Partnership
Income Properties

STATEMENTS OF PARTNERS' CAPITAL (DEFICIT)
(Going Concern Basis)

Years ended December 31, 2001 and 2000

	General Partners	Limited Partners	Cost of Ltd. Partner Interests Held in Treasury	Total
Balances at January 1, 2000	$ (140,824)	$3,472,815	$ (21,671)	$3,310,320
Distributions to partners	(22,000)	(711,329)	-	(733,329)
Net income for the year	905	29,276	-	30,181
Balances at December 31, 2000	(161,919)	2,790,762	(21,671)	2,607,172
Distributions to partners	(4,177)	(135,062)	-	(139,239)
Net income for the year	1,210	39,126	-	40,336
Balances at December 31, 2001, before liquidation basis adjustments	$ (164,886)	$2,694,826	$ (21,671)	$2,508,269

The accompanying notes are an integral part of these statements.

National Real Estate Limited Partnership
Income Properties

STATEMENTS OF CASH FLOWS
(Going Concern Basis)

Years ended December 31

	2001	2000
Cash flows from operating activities		
Net income	$ 40,336	$ 30,181
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	143,662	143,815
Changes in assets and liabilities		
Escrow deposits and other assets	(48,272)	(75,214)
Tenant security deposits	(600)	820
Deferred rent	7,840	(6,336)
Accrued interest payable to individual general partner	32,989	36,532
Accrued expenses and other liabilities	14,864	42,552
Net cash provided by operating activities	190,819	172,350
Cash flows from financing activities		
Distributions to partners	(139,239)	(733,329)
Net increase (decrease) in cash and cash equivalents	51,580	(560,979)
Cash and cash equivalents at beginning of year	245,403	806,382
Cash and cash equivalents at end of year	$ 296,983	$ 245,403
Cash paid for interest	$ -	$ -

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2001

NOTE A – LIQUIDATION BASIS OF ACCOUNTING

Subsequent to December 31, 2001, on or about February 11, 2002, litigation described in Note D was settled and, consequently, liquidation of Partnership properties is expected in 2002. Accordingly, the Partnership revalued its assets and liabilities to the amounts expected to be collected and paid during the liquidation. The effect of the revaluation is included in the statement of changes in net assets in liquidation as “Liquidation Basis Adjustments.” It is not presently determinable whether the amounts realizable from the disposition of the remaining assets or the amounts that creditors will agree to accept in settlement of the obligations due them will differ materially from the amounts shown in the accompanying financial statements. Differences between the revalued amounts and actual cash transactions will be recognized in the year they can be estimated. The gains (or losses) from liquidation will be taxable on distribution.

NOTE B – ADJUSTMENTS OF ESTIMATED VALUES

Effective with the decision to liquidate, the carrying amounts of assets and liabilities were adjusted from their historical bases to the amounts of cash expected from their realization and settlement. Because of the expected short liquidation period, the effects of discounting would not be significant and have been ignored. The initial adjustment increased net assets by $ 1,361,754 from $ 2,508,269 to $ 3,870,023, as follows:

	Historical Basis	Estimated Liquidation Value
Investment properties	$ 2,612,313	$ 4,080,179
Cash and cash equivalents	296,983	296,983
Escrow deposits and other assets	139,520	36,458
Estimated arbitration settlement receivable	-	234,073
Tenant security deposits	(4,223)	(4,223)
Accrued expenses and other liabilities	(116,862)	(116,862)
Deferred rent	(39,803)	(39,803)
Accrued interest payable to individual general partner	(108,639)	(108,639)
Note payable to individual general partner	(271,020)	(271,020)
Reserve for plaintiff’s attorney fees	-	(77,199)
Reserve for future liquidation expenses	-	(159,924)
	$ 2,508,269	$ 3,870,023

NOTE B – ADJUSTMENTS OF ESTIMATED VALUES – Continued

It is at least reasonably possible that the amounts expected to be realized in the liquidation process will change in the near term.

Estimated liquidation value of the investment property was determined based on the estimated selling price, less commissions and other costs as follows:

Estimated selling price	$ 4,269,904
Less:	
Broker commissions	128,097
Other costs	61,628
Estimated liquidation value of investment property	$ 4,080,179

Estimated arbitration settlement receivable was determined based on the Arbitration Stipulation agreement dated February 11, 2002, which established an arbitration settlement fund to settle lawsuit claims regarding improper takings of Partnership assets. Pursuant to the Stipulation, this settlement fund received certain financial assets of John Vishnevsky arising out of his ownership of Partnership interests in this and other related Partnership entities. The total amount contributed to this fund is to be allocated and distributed to this and the other partnerships participating in the litigation, after deducting a 33% award for litigation fees payable to the plaintiff's legal counsel. The Partnership's allocable portion of this settlement is estimated to be $ 234,073 and is reported as "Arbitration Settlement Receivable" in the statement of net assets in liquidation.

Reserve for plaintiff's attorney fees was determined, as described in Note D, based on one-third of the excess of the liquidation proceeds derived from the sale of the investment property over a floor amount. The amount of this obligation has been estimated to be $ 77,199 and is to be paid to plaintiff's legal counsel when liquidating distributions are made to the limited partners.

Reserve for future liquidation expenses was determined based on the Arbitration Stipulation, which contains a plan of liquidation in which the Partnership shall be dissolved, all outstanding matters be resolved, and final distribution of Partnership assets be accomplished by December 31, 2002. Accordingly, management has established a liquidation reserve to provide for the estimated remaining costs to wind up Partnership affairs, which include the final accounting of financial matters and income tax filings. The amount of this obligation has been estimated to be $ 159,924.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Organization

National Real Estate Limited Partnership Income Properties (the Partnership) was organized as a limited Partnership under the laws of the State of Wisconsin pursuant to a Certificate and an Agreement of Limited Partnership (the Agreement) dated December 18, 1984, for the purpose of investing primarily in commercial real property and began operations in May 1985. The terms of the agreement provide for the Partnership to be dissolved on or before December 31, 2004. As described in Note A above, liquidation of Partnership properties is expected during 2002.

The Partnership consists of two general partners, John Vishnevsky, and EC Corp., and 1,127 limited partners at December 31, 2001.

2. Cash and Cash Equivalents

The Partnership considers all short-term investments, which have original maturities of three months or less when purchased to be cash equivalents.

3. Investment Properties

Investment properties are stated at estimated liquidation value as of December 31, 2001. During 2001 and 2000, major additions and improvements were capitalized, while items, which do not extend the useful lives of the assets, were expensed currently.

During 2001 and 2000, depreciation and amortization were provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. The estimated useful lives used in determining depreciation were:

Building	27.5 - 40 years
Improvements	7 - 15 years
Equipment	5 years

The Partnership evaluates the investment property periodically for indication of impairment including recurring operating losses and other significant adverse changes in the business climate that affect the recovery of the recorded asset value.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. *Allocations and Distributions*

Pursuant to the Agreement, net income and loss from operations (exclusive of those from the sale or disposition of Partnership properties) are to be allocated 97% to the limited partners and 3% to the general partners. Any gains from the sale or disposition of Partnership properties are to be allocated first to the general partners and limited partners with deficit net capital accounts; then the limited partners in an amount equal to their initial capital investment plus any amount remaining to be paid under their cumulative preference; then to the general partners in an amount equal to the proceeds of such sale distributed to them; and all remaining amounts are to be allocated to the limited partners provided that at least 3% of the gain from sale or disposition would be allocated to the general partners. Losses from the sale or other disposition of Partnership properties are to be allocated 97% to the limited partners and 3% to the general partners.

Cash available for distribution, as defined in the Agreement, will be distributed 97% to the limited partners and 3% to the general partners.

The stipulation of settlement agreement discussed in Note D required that the Partnership distribute any excess cash reserves within 30 days of the final approval of the settlement. The settlement was approved by the court on April 27, 2000. The amount of the cash distribution made by the Partnership in March 2000 was determined by management to be the Partnership's excess cash reserves at that time for the purposes of complying with this anticipated provision of the settlement agreement. During the years 2001 and 2000, cash distributions were made to the partners totaling $ 139,239 and $ 733,329, respectively.

After repayment of any general partner loan, sale proceeds will be distributed as follows: (i) To the Limited Partners an amount equal to 100% of their Original Capital Contribution; (ii) then to the General Partner an amount equal to 3% of the remaining proceeds, subordinated to cumulative, non-compounded distributions of Sale Proceeds and Cash Available for Distribution equal to 6% per annum on their Capital Investment; (iii) to an Affiliate of the General Partners, an amount equal to its subordinated real estate commissions (up to 3% of the aggregate selling price of all properties); and (iv) of the remaining proceeds, 88% to the Limited Partners and 12% to the General Partners, with such payments to the General Partners subordinated to a total return to the Limited Partners of a Cumulative Preference of 10% per annum on their Capital Investment.

Any Sale Proceeds distributed to Limited Partners will be distributed to those persons recognized as Limited Partners on the date that the Partnership distributes such Sale Proceeds in proportion to the number of interests held on such date.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

5. *Net Income Per Limited Partnership Interest*

Net income per limited Partnership interest is based on 97% of net income as allocated to the limited partners divided by the weighted average number of interests outstanding during the year.

6. Advertising

Advertising costs are expensed as incurred.

7. *Fees to Affiliates*

Property management fees are payable currently to the general partners or affiliates of the general partners. Fees for property management and rental services are being charged to expense over the period property management services are being performed. See Note F for property management fee rates payable to an affiliated party.

8. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Under the liquidation basis of accounting, assets are stated at their estimated net realizable value and liabilities are stated at their anticipated settlement amounts. Estimated net realizable value represents management's best estimate as to liquidation value of the assets, based on gross sales prices or current offers or contracts, net of selling expenses, including consideration for the effect that the settlement of litigation may have on the value of the assets. There can be no assurance, however, that the Partnership will be successful in liquidating its assets at the estimated net realizable values recorded on the statement of net assets in liquidation as of December 31, 2001. Accordingly, actual results could differ from those estimates.

NOTE D – LEGAL PROCEEDINGS

On May 25, 1999, the general partners, the property management company (NRMI), and other entities and individuals were named as defendants in a lawsuit (the "Vishnevsky Defendants"). The plaintiffs sought to have this action certified as a class action lawsuit. In the complaint, the plaintiffs alleged wrongdoing against the Vishnevsky Defendants in connection with two basic areas. First, allegations were made involving various vote solicitations alleged by the plaintiffs to be an effort to perpetuate the Partnerships and avoid liquidation. Second, allegations were made involving the taking and use of Partnership funds and property, including excessive fees and unauthorized expenses.

On March 14, 2000, the parties to the litigation, with the exception of the defendant Wolf & Company, entered into a Stipulation of Settlement ("2000 Settlement"). The 2000 Settlement provided for the appointment of an independent marketing agent (the "Partnerships' Representative") to market and sell the Partnership investment property. However, no offer to purchase the property was to be accepted without first obtaining approval from a majority interest of the limited partners. Final distributions of the net proceeds received from a sale of the Partnership's investment property were to be made in accordance with the terms of the Partnership's limited partnership agreement and prospectus, and upon providing 20-day notice to the plaintiffs' attorney. Net proceeds were first to be applied to pay plaintiffs' counsel's legal fees, expenses and costs, with interest thereon. The actual terms for distribution were finalized in the February 11, 2002 Arbitration Stipulation, described hereinafter.

Pursuant to the 2000 Settlement, the Partnership and its property continued to be managed by NRMI and the general partners under the existing contracts until such time as the Partnership and its property were liquidated. The Arbitration Stipulation states that the existing employees of NRMI will continue to be compensated based on their current employment arrangements, notwithstanding provisions set forth in the 2000 Settlement.

The 2000 Settlement further provided that any legal expenses incurred in connection with the arbitration process could not be advanced or paid by the Partnership. The following legal expenses could be paid by the Partnership: 1) legal expenses incurred in drafting the 2000 Settlement, or obtaining preliminary or final approval of the 2000 Settlement, 2) legal expenses incurred in the sales process for marketing or selling the investment property, or 3) other legal expenses properly incurred in the business of the Partnership unrelated to this lawsuit or the arbitration process. Certain legal expenses were charged to this partnership in 2001. This matter was resolved in the Arbitration Stipulation signed February 11, 2002. The 2000 Settlement also provided that the plaintiffs' claims made against NRMI, the general partners, and other related parties for excessive charging of expenses to the partnerships, including the Partnership, were to be resolved through binding arbitration. Any such expenses disallowed through arbitration would be reimbursed to the partnerships. This matter was also settled in the Arbitration Stipulation.

NOTE D – LEGAL PROCEEDINGS – Continued

As part of the litigation, the plaintiffs' attorneys were also seeking payment of their fees from the assets of the Partnership and the other nominal defendant entities. The plaintiffs' attorneys requested that they be paid 33% of the net proceeds derived from the sale of the property, which exceeded an aggregate secondary market value of all Partnership shares. Net proceeds include an offset of partnership liabilities and selling costs. Independent appraisals of the Partnership's secondary market value were obtained by both the plaintiffs' attorneys and by Partnership management. The court gave preliminary approval to the 33% reimbursement, and the secondary market value amount was agreed upon in the Arbitration Stipulation.

On April 27, 2000, the Circuit Court of Waukesha County held a hearing and certified the lawsuit as a non-opt out class action, in which all limited partners of the Partnership were required to be included in the settlement of this litigation. Furthermore, the Court ruled that plaintiffs' counsel's attorney fees would be equal to one-third of the difference between the secondary market value of the Partnership interest and the total funds available for distribution to the limited partners after payment of all Partnership obligations, as described above.

On June 20, 2000, the Court entered a judgment based upon its April 27th decision. Thereafter, on July 21, 2000, the Court held a hearing on the plaintiffs' Motion for Enforcement of the Court Approved Settlement and in Support of Sanctions. The outcome of the hearing was that the Court granted sanctions totaling $437,000 against the Vishnevsky Defendants and their counsel for delaying the appointment of the Partnerships' Representative and the arbitrators. The Court took under advisement the remaining open issue regarding the determination of the secondary market value for computing the plaintiffs' counsel's attorney fees until the arbitration proceedings were completed and the Partnerships' properties were sold.

On August 2, 2000, the Vishnevsky Defendants filed an appeal on the portion of the judgment which determined the method for computing the plaintiffs' counsel's attorney fees. On October 10, 2000 the Vishnevsky Defendants and their counsel filed a second appeal from the order granting the sanctions. A motion to consolidate the two appeals was granted. On October 24, 2001, the Court of Appeals rendered its decision with respect to both appeals. The Court affirmed the lower court ruling respecting the determination of the attorneys fees, but reversed the Order imposing the sanctions for delay in implementing the 2000 Settlement agreement based upon the lower court's erroneous view of the effective date of that agreement.

NOTE D – LEGAL PROCEEDINGS – Continued

The arbitration panel was selected in 2001. The arbitration was tentatively set for hearing the weeks of February 11, and 18, 2002. On February 11, 2002 the parties settled the arbitration issue (the "Arbitration Stipulation"). The Arbitration Stipulation provides in part that Mr. Vishnevsky will pay into a Settlement Fund an amount equal to the cash distribution he receives from each Partnership for his general and unencumbered limited partnership interests, together with an amount equal to the amount he receives from the repayment of all loans, deferred management fees, and interest due him from the Partnerships minus the sum of $1,300,000 to cover Mr. Vishnevsky's tax liability generated by the sale of the Properties and other expenses. Mr. Vishnevsky will also receive the commissions due to NRMI and the return of the sanctions money. The Arbitration Stipulation also established the secondary market value to be used in the calculation of the plaintiffs' attorney fees to be paid, as described above.

The timing of distributions to limited partners will be largely dependent on the amount of time necessary to resolve all issues. The monetary impact of these matters has been estimated, and is presented in the statement of net assets in liquidation as estimated arbitration settlement receivable, estimated obligation for plaintiffs' attorney fees, and estimated obligation for future liquidation expense. The final outcome of these estimates is not presently determinable, and the resulting changes could be material to the financial statements. Differences between the estimated amounts and actual transactions will be recognized in the year they are realized.

NOTE E – INVESTMENT PROPERTIES

Investment properties consist of the following at December 31, 2001:

	Historical Cost Basis			
Description	Land	Buildings and Improvements	Accumulated Depreciation	Estimated Liq. Basis
		(in thousands)		
Lock-It-Lockers Mini-Warehouses Tucson, Arizona	$ 253	$ 1,906	$ 1,020	$ 1,766
Lock-It-Lockers Mini-Warehouses Phoenix, Arizona	222	2,115	1,112	2,006
Cave Creek-Phase I Mini-Warehouses Phoenix, Arizona	94	304	150	305
	$569	$ 4,325	$ 2,282	$ 4,077

NOTE E – INVESTMENT PROPERTIES – Continued

Description	Date of Construction	Date Acquired
Lock-It-Lockers Mini-Warehouses Tucson, Arizona	1976	May 1985
Lock-It-Lockers Mini-Warehouses Phoenix, Arizona	1976	January 1986
Cave Creek - Phase I Mini-Warehouses Phoenix, Arizona	1985	April 1987

The aggregate cost of the investment properties is the same for financial reporting and federal income tax purposes. The accumulated depreciation reported for federal income tax purposes was $ 3,610,413 at December 31, 2001.

Depreciation expense for the years ended December 31, 2001 and 2000, was $ 143,662 and $ 143,815, respectively.

NOTE F – TRANSACTIONS WITH AFFILIATED PARTIES

The general partners are general partners for other limited Partnerships which have invested in real estate. The Partnership reimburses affiliates of the general partner for the actual cost of goods and materials used by or for the Partnership in the course of performing the general functions of the Partnership. These general functions include certain management, accounting and other expenses. The Partnership has executed contracts providing for the following fees payable to such entities:

1. *National Realty Management, Inc. (NRMI)*

National Realty Management, Inc. (NRMI), which is wholly owned by John Vishnevsky, was paid property management fees of $ 46,669 in 2001 and $ 47,797 in 2000, respectively. Monthly fees represent 6% of gross receipts from the Lock-It-Lockers Mini-Warehouses in Tucson and Phoenix and Cave Creek Mini-Warehouse.

The Partnership also paid $ 155,279 in 2001 and $ 63,175 in 2000, respectively, for the reimbursement of accounting, administrative, and property selling expenses incurred by NRMI on behalf of the Partnership. Accrued expenses at December 31, 2001, includes $ 2,498 due to NRMI for reimbursable expenses.

NOTE F – TRANSACTIONS WITH AFFILIATED PARTIES – Continued

1. *National Realty Management, Inc. (NRMI) – Continued*

The Partnership sub-leases a portion of common area office space from NRMI under terms of a lease, which expires on August 31, 2002. During 2001 and 2000, lease payments totaled $ 10,881 and $ 11,211, respectively, which represents the Partnership's pro-rata portion, based on space occupied, of NRMI's monthly rental obligation.

2. *National Development and Investment, Inc. (Former General Partner)*

The Partnership paid National Development and Investment, Inc. (NDII), which was wholly owned by John Vishnevsky, for the reimbursement of costs and expenses totaling $ 102,885 and $ 207,863 in 2001 and 2000, respectively. Effective September 30, 2001, NDII was dissolved and the remaining administrative expenses for 2001 were paid by NRMI.

3. *Individual General Partner*

The note payable to the individual general partner, John Vishnevsky, is payable from proceeds of the sale or other disposition of investment properties, with interest compounded monthly at a bank's prime rate plus 2% (6.75% at December 31, 2001) or 12%, whichever is lower. At December 31, 2001, the note payable balance was $ 271,020. The Partnership incurred interest of $ 32,988 and $ 36,532 in 2001 and 2000, respectively, in connection with this note. During 2001, no interest was paid to the individual general partner with respect to this note. At December 31, 2001, accrued interest payable on the individual general partner note was $ 108,639.

NOTE G – INCOME TAXES

Income taxes on the net income for the year are payable personally by the partners and, accordingly, are not reflected in the financial statements.

Differences between the net income as reported herein and the net income reported for federal income tax purposes arise primarily from timing differences related to depreciation and other GAAP basis adjustments. The following is a reconciliation of the reported net income and the net income reported for federal income tax purposes for the years ended December 31:

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2001

NOTE G – INCOME TAXES – Continued

	2001	2000
Net income reported in the financial statements	$ 40,336	$ 30,181
Add (deduct)		
Depreciation	(37,672)	(38,638)
Accrued wages non-deducted for tax purposes	(1,427)	(134)
Interest accrued (paid) to individual general partner	32,988	36,532
Severance	(21,485)	28,395
Miscellaneous expenses	(2,855)	3,612
Net income reported for federal income tax purposes	$ 9,885	$ 59,948

NOTE H – FAIR VALUES OF FINANCIAL INSTRUMENTS

1. *Cash and Cash Equivalents*

The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value due to their short-term nature.

2. *Debt*

The fair market value of the individual general partner note payable approximates its carrying value.

NOTE I – CONCENTRATION OF CREDIT RISK

The Partnership maintains its cash balances in various financial institutions in Arizona and Wisconsin. These balances are insured by the Federal Deposit Insurance Company up to $ 100,000. The Partnership has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE J – BASIS OF ACCOUNTING

The Partnership records are maintained on the basis of accounting utilized for federal income tax reporting purposes. The accompanying financial statements have been prepared from such records and adjusted to the liquidation basis of accounting for 2001 and the accrual basis of accounting for 2000 in accordance with accounting principles generally accepted in the United States of America (GAAP). The primary adjustment is for the difference between the cost basis and fair market value of the investment property. Certain tax basis amounts are summarized as follows:

	Tax Basis	
	2001	2000
	(In thousands)	
Total assets	$ 2,715	$ 2,799
Partners' capital		
General partners (deficit)	(171)	(167)
Limited partners (deficit)	2,494	(2,597)
Net income		
General partners	-	2
Limited partners	10	58

As described in Note D, the Partnership reached a settlement agreement that will ultimately result in the liquidation of the Partnership's net assets. These financial statements are prepared in accordance with the liquidation basis of accounting. The liquidation basis of accounting was used in the preparation of the financial statements since operations are not expected to continue and liquidation is expected during 2002.

SUPPLEMENTARY INFORMATION

EC Corp.

BALANCE SHEET

December 31, 2001

ASSETS

Cash and cash equivalents	$	689
Investments in limited partnership		65
	$	754

STOCKHOLDERS' EQUITY

Common stock, 9,000 shares authorized; 100 shares issued and outstanding; $ 1 par value	$	100
Additional paid-in capital		2,495
Accumulated deficit		(1,841)
	$	754

John Vishnevsky

STATEMENT OF FINANCIAL CONDITION

December 31, 2001

ASSETS

Cash and cash equivalents		$ 124,155
Notes receivable		62,076
Investments		
Mutual funds	$ 145,245	
Assigned shares in limited partnerships	821,677	
Corporations	10,407	977,329
Receivables		
Real estate commissions		571,374
Sanctions		516,000
Miscellaneous		23,173
Prepaid income taxes		171,280
Other assets		198,305
		$ 2,643,692

LIABILITIES

Accrued liabilities	$ 524,362
Accrued income taxes	171,280
Assigned shares in limited partnership	821,677
Due to affiliated party	116,000
	1,633,319
Net worth	1,010,373
	$ 2,643,692