

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**  
SEC Accession No. **0000892626-96-000418**

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### FILER

#### **JMB INCOME PROPERTIES LTD XIII**

CIK: **790603** | IRS No.: **363426137** | State of Incorporation: **IL** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **000-19496** | Film No.: **96662827**  
SIC: **6500** Real estate

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For the quarter ended  
September 30, 1996

Commission file #000-19496

JMB INCOME PROPERTIES, LTD. - XIII  
(Exact name of registrant as specified in its charter)

Illinois 36-3426137  
(State of organization) (IRS Employer Identification No.)

900 N. Michigan Ave., Chicago, IL 60611  
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code 312/915-1987

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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

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 PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

JMB INCOME PROPERTIES, LTD. - XIII  
 (A LIMITED PARTNERSHIP)  
 AND CONSOLIDATED VENTURE

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 1996 AND DECEMBER 31, 1995

(UNAUDITED)

ASSETS

-----

<CAPTION>

	SEPTEMBER 30, 1996	DECEMBER 31, 1995
	-----	-----
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents . . . . .	\$ 9,535,950	13,599,171
Interest, rents and other receivables (net of allowance for doubtful accounts of \$289,561 in 1996 and \$38,235 in 1995) . . . . .	1,228,172	1,121,270
Prepaid expenses . . . . .	125,728	68,901
Escrow deposits . . . . .	111,358	102,680
	-----	-----
Total current assets . . . . .	11,001,208	14,892,022
Investment properties, at cost:		
Land . . . . .	21,300,842	21,300,842
Buildings and improvements . . . . .	69,505,112	69,439,819
	-----	-----
	90,805,954	90,740,661
Less accumulated depreciation . . . . .	18,046,819	16,583,348
	-----	-----
Total investment properties, net of accumulated depreciation . . . . .	72,759,135	74,157,313
Investment in unconsolidated ventures, at equity . . . . .	--	8,026,013
Deferred expenses . . . . .	682,346	741,184
Accrued rents receivable . . . . .	1,507,999	1,666,682
	-----	-----
	\$ 85,950,688	99,483,214
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL ACCOUNTS (DEFICITS)

-----

Current liabilities:		
Current portion of long-term debt . . . . .	\$ 307,993	291,589
Accounts payable . . . . .	136,945	197,765
Accrued interest . . . . .	195,407	196,729
Accrued real estate taxes . . . . .	985,416	1,171,341
Unearned rents . . . . .	502,954	612,082
	-----	-----
Total current liabilities . . . . .	2,128,715	2,469,506
Tenant security deposits . . . . .	312,839	328,622
Investment in unconsolidated ventures, at equity . . . . .	27,307	--

Long-term debt, less current portion . . . . .	25,913,549	26,146,638
	-----	-----
Commitments and contingencies		
Total liabilities. . . . .	28,382,410	28,944,766
	-----	-----
Partners' capital accounts (deficits):		
General partners:		
Capital contributions. . . . .	20,000	20,000
Cumulative net earnings (losses) . . . . .	669,520	459,660
Cumulative cash distributions. . . . .	(1,570,739)	(1,389,844)
	-----	-----
	(881,219)	(910,184)
	-----	-----
Limited partners (126,414 interests):		
Capital contributions, net of offering costs . . . . .	113,741,315	113,741,315
Cumulative net earnings (losses) . . . . .	29,461,714	16,290,597
Cumulative cash distributions. . . . .	(84,753,532)	(58,583,280)
	-----	-----
	58,449,497	71,448,632
	-----	-----
Total partners' capital accounts (deficits). . . . .	57,568,278	70,538,448
	-----	-----
	\$ 85,950,688	99,483,214
	=====	=====

<FN>  
See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>

JMB INCOME PROPERTIES, LTD. - XIII  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

CONSOLIDATED STATEMENTS OF OPERATIONS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995

(UNAUDITED)

<CAPTION>

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	1996	1995	1996	1995
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Income:				
Rental income. . . . .	\$ 2,999,877	2,961,759	8,467,988	8,297,044
Interest income. . . . .	168,474	225,281	617,138	643,636
	-----	-----	-----	-----
	3,168,351	3,187,040	9,085,126	8,940,680
	-----	-----	-----	-----
Expenses:				
Mortgage and other interest. . . . .	586,672	591,880	1,764,006	1,779,390
Depreciation . . . . .	313,973	621,979	1,463,471	1,866,349
Property operating expenses. . . . .	1,182,167	911,169	2,989,339	2,581,084
Professional services. . . . .	37,136	5,301	155,008	142,717
Amortization of deferred expenses. . . . .	63,264	51,338	150,363	154,017
General and administrative . . . . .	72,797	140,078	333,764	277,087
Provision for value impairment . . . . .	--	8,200,000	--	8,200,000
	-----	-----	-----	-----
	2,256,009	10,521,745	6,855,951	15,000,644
	-----	-----	-----	-----
Operating earnings (loss). . . . .	912,342	(7,334,705)	2,229,175	(6,059,964)
Partnership's share of operations				
from unconsolidated ventures . . . . .	179,129	101,684	305,823	367,870
	-----	-----	-----	-----
Net operating earnings (loss). . . . .	1,091,471	(7,233,021)	2,534,998	(5,692,094)

Partnership's share of gain on sale of investment property of unconsolidated ventures . . . . .	1,242,525	--	10,845,979	--
	-----	-----	-----	-----
Net earnings (loss) . . . . .	\$ 2,333,996	(7,233,021)	13,380,977	(5,692,094)
	=====	=====	=====	=====
Net earnings (loss) per limited partnership interest:				
Net operating earnings . . . . .	\$ 8.29	(54.93)	19.25	(43.23)
Partnership's share of gain on sale of investment property of unconsolidated ventures . . . . .	9.73	--	84.94	--
	-----	-----	-----	-----
Net earnings (loss) . . . . .	\$ 18.02	(54.93)	104.19	(43.23)
	=====	=====	=====	=====
Cash distributions per limited partnership interest . . . . .	\$ 105.00	11.00	206.00	33.00
	=====	=====	=====	=====

<FN>  
See accompanying notes to consolidated financial statements.  
</TABLE>

<TABLE>

JMB INCOME PROPERTIES, LTD. - XIII  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

CONSOLIDATED STATEMENTS OF CASH FLOWS

NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995

(UNAUDITED)

<CAPTION>

	1996	1995
	-----	-----
	<C>	<C>
Cash flows from operating activities:		
Net earnings (loss) . . . . .	\$13,380,977	(5,692,094)
Items not requiring cash or cash equivalents:		
Depreciation . . . . .	1,463,471	1,866,349
Amortization of deferred expenses . . . . .	150,363	154,017
Partnership's share of operations of unconsolidated ventures, net of distributions . . . . .	271,619	653,381
Partnership's share of gain on sale of investment property of unconsolidated ventures . . . . .	(10,845,979)	--

Provision for value impairment . . . . .	--	8,200,000
Changes in:		
Interest, rents and other receivables . . . . .	(106,902)	259,061
Prepaid expenses . . . . .	(56,827)	(43,342)
Accrued rents receivable . . . . .	158,683	(159,722)
Accounts payable . . . . .	(60,820)	150,623
Accrued interest . . . . .	(1,322)	(1,228)
Unearned rents . . . . .	(109,128)	--
Accrued real estate taxes . . . . .	(185,925)	93,027
Tenant security deposits . . . . .	(15,783)	(3,991)
Escrow deposits . . . . .	(8,678)	(111,678)
	-----	-----
Net cash provided by (used in) operating activities . . .	4,033,749	5,364,403
	-----	-----
Cash flows from investing activities:		
Net sales and maturities (purchases) of short-term investments . . . . .	--	3,929,127
Cash sales proceeds from sale of interest in unconsolidated venture, net of selling expenses . . . . .	18,289,470	--
Additions to investment properties, net . . . . .	(65,293)	(203,300)
Partnership's distributions from unconsolidated ventures . . . .	340,210	--
Partnership's contributions to unconsolidated ventures . . . . .	(2,000)	(1,575)
Payment of deferred expenses . . . . .	(91,525)	(21,777)
	-----	-----
Net cash provided by (used in) investing activities . . .	18,470,862	3,702,475
	-----	-----
Cash flows from financing activities:		
Principal payments on long-term debt . . . . .	(216,685)	(201,394)
Distributions to limited partners . . . . .	(26,170,252)	(4,213,800)
Distributions to general partners . . . . .	(180,895)	(117,050)
	-----	-----
Net cash provided by (used in) financing activities . . .	(26,567,832)	(4,532,244)
	-----	-----
Net increase (decrease) in cash and cash equivalents . . . . .	(4,063,221)	4,534,634
Cash and cash equivalents, beginning of year . . . . .	13,599,171	5,011,101
	-----	-----
Cash and cash equivalents, end of period . . . . .	\$ 9,535,950	9,545,735
	=====	=====
Supplemental disclosure of cash flow information:		
Cash paid for mortgage and other interest . . . . .	\$ 1,765,328	1,780,618
	=====	=====
Non-cash investing and financing activities . . . . .	\$ --	--
	=====	=====

<FN>  
See accompanying notes to consolidated financial statements.  
</TABLE>

JMB INCOME PROPERTIES, LTD. - XIII  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 1996 AND 1995

(UNAUDITED)

GENERAL

Readers of this quarterly report should refer to the Partnership's audited financial statements for the fiscal year ended December 31, 1995 which are included in the Partnership's 1995 Annual Report, as certain footnote disclosures which would substantially duplicate those contained in such audited financial statements have been omitted from this report.

The preparation of financial statements in accordance with GAAP requires the Partnership to make estimates and assumptions that affect the reported or disclosed amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain amounts in the 1995 consolidated financial statements have been reclassified to conform with the 1996 presentation.

Statement of Financial Accounting Standards No. 121 was adopted by the Partnership on January 1, 1996.

TRANSACTIONS WITH AFFILIATES

The Partnership, pursuant to the Partnership Agreement, is permitted to engage in various transactions involving the Managing General Partner and its affiliates including the reimbursement for salaries and salary-related expenses of its employees, certain of its officers, and other direct expenses relating to the administration of the Partnership and the operation of the Partnership's investments. Fees, commissions and other expenses required to be paid by the Partnership to the General Partners and their affiliates as of September 30, 1996 and for the nine months ended September 30, 1996 and 1995 were as follows:

	1996	1995	Unpaid at September 30, 1996
	-----	-----	-----
Property management and leasing fees . . . . .	\$ 70,608	80,182	--
Insurance commissions . . .	10,028	9,986	--
Reimbursement (at cost) for out-of-pocket salary and salary related expenses related to the on-site and other costs for the Partnership and its investment properties . .	110,188	191,405	97,314
	-----	-----	-----
	\$190,824	281,573	97,314
	=====	=====	=====

During 1994, certain officers and directors of the Managing General Partner acquired interests in a company which provides certain property management services to certain of the properties owned by the Partnership. The fees earned by such company from the Partnership for the nine months ended September 30, 1996 were approximately \$106,000, all of which was paid at September 30, 1996.

In accordance with the subordination requirements of the Partnership Agreement, the General Partners have deferred payment of certain of their

distributions of net cash flow and sale proceeds from the Partnership. The cumulative amount of such deferred distributions are approximately \$5,331,000 at September 30, 1996. All amounts deferred or currently payable do not bear interest.

#### FIRST FINANCIAL

On September 11, 1996, the joint venture sold the First Financial office building to an unaffiliated third-party for a sale price of \$37,900,000 (before selling expenses and prorations). The joint venture received approximately \$13,000,000 of net sale proceeds at closing (which reflected the assumption by the buyer of the mortgage loan with a current balance of approximately \$24,700,000), substantially all of which was allocable to JMB/First Financial pursuant to the Encino Venture agreement. The sale resulted in approximately \$2,845,000 of gain for financial reporting purposes in 1996, of which approximately \$1,239,000 was allocated to the Partnership.

The First Financial office building was classified as held for sale as of April 1, 1996 and therefore has not been subject to continued depreciation. The accompanying consolidated financial statements include the Partnership's share of operations of unconsolidated ventures which include approximately \$138,000 and \$(54,000) of operations of such property for the nine months ended September 30, 1996 and 1995, respectively. The property had a net carrying value of approximately \$33,604,000 at December 31, 1995.

In order to finalize the two-year loan extension of the property's mortgage loan in November 1995, the Partnership and its affiliated partner loaned in late 1995 \$4.0 million (approximately \$1.5 million by the Partnership) to the joint venture to fund the required principal payment. A capital call had been made on the unaffiliated joint venture partner for its share of the total required amount; however, the unaffiliated joint venture partner indicated that it would not fund its required share. The Partnership and its affiliated partner reached an agreement with the unaffiliated partner to modify the joint venture agreement. In April 1996, the unaffiliated partner became a limited partner as a result of this modification.

#### JMB/MIAMI

The Partnership was a general partner in JMB/Miami International Associates ("JMB/Miami"), which owned a 50% partnership interest in West Dade County Associates ("West Dade") with an affiliate of the developer, the Venture Partner. West Dade owns an interest in the Miami International Mall. The other partners of JMB/Miami were IDS/JMB Balanced Income Growth, Ltd. ("IDS/JMB") and Urban Shopping Centers, L.P. ("Urban"), both of which are affiliates of the Partnership. On April 8, 1996, effective March 31, 1996, JMB/Miami was voluntarily dissolved by agreement of its partners and its 50% ownership interest in West Dade and related assets were distributed to its partners based on their respective ownership percentages. Accordingly, the Partnership acquired a direct 25% ownership interest in West Dade. The Partnership then sold its entire 25% interest in West Dade as described below.

On April 8, 1996, the Venture Partner in West Dade purchased 29.812% (i.e., a 7.453% interest) of the Partnership's interest in West Dade for \$4,005,624 (paid in cash at closing), subject to proration. The Venture Partner also assumed a proportionate share of the Partnership's obligations and liabilities of West Dade from and after March 31, 1996, the effective date of the transaction. The Venture Partner is not affiliated with the Partnership or its General Partners, and the terms of the sale were determined by arm's-length negotiations.

Concurrently, Urban exercised its right of first refusal and purchased the other 70.188% of the Partnership's interest (i.e., a 17.547% interest) in West Dade for \$9,431,107 (paid in cash at closing), subject to proration. Urban also assumed a proportionate share of the Partnership's share of obligations and liabilities of West Dade from and after the effective date of the transaction. The price of the interest sold to Urban was in proportion to that sold to the Venture Partner, and the other terms of the sale with Urban were based on those applicable to the sale with the Venture Partner. In addition, West Dade agreed to indemnify the

Partnership generally from and against claims and liabilities incurred by the Partnership in connection with West Dade or its property after the effective date of the transaction. The Partnership recognized an approximate \$9,607,000 gain for financial reporting purposes and expects to recognize a gain for Federal income tax purposes in 1996. The Partnership made a cash distribution of \$105 per Interest from the sales proceeds in August 1996.

#### CERRITOS INDUSTRIAL PARK

From 1997 through 1998, leases at the Cerritos Industrial Park representing 68% of the rentable square footage are scheduled to expire, not all of which are expected to renew. Although the Partnership had begun marketing the property for sale, there can be no assurance that a sale transaction can be finalized in the near term.

#### FOUNTAIN VALLEY INDUSTRIAL PARK

Fountain Valley is currently 94% leased and occupied (including temporary tenants). From the remainder of 1996 through 1998, leases at the Fountain Valley Industrial Park representing 39% of the leasable square footage are scheduled to expire, not all of which are expected to be renewed. The Partnership had been examining the economic benefits, including the use of Partnership funds, of a partial redevelopment of the property to retail uses, with the support of the City of Fountain Valley. However, the City of Fountain Valley is not currently able to give its approval to such a partial retail conversion due to other city projects currently underway.

#### RIVERTREE COURT SHOPPING CENTER

The Rivertree Court Shopping Center operates in a market which continues to experience significant growth in the commercial and residential sectors.

In January 1996, HomeGoods vacated its approximate 40,000 square feet of space in the center. Primarily as a result thereof, the occupancy of the center declined from 99% to 84% during the first quarter. The HomeGoods lease was assigned to Best Buy Company, Inc. ("Best Buy"), an existing tenant of approximately 25,000 square feet at the center. On August 2, 1996, Best Buy relocated to the former HomeGoods space (expanded to approximately 44,000 square feet) and the Partnership allowed Best Buy to terminate its former lease upon vacating its former space. The Partnership has entered into a lease with PetsMart to lease Best Buy's former space with a projected occupancy of the fourth quarter of 1996.

During September 1996, the Partnership entered into a letter of intent to sell the property in late 1996 for a sale price of \$32,500,000. The closing is subject to documentation and certain other closing conditions and there can be no assurance that the sale will be finalized on any terms.

If the sale were to be finalized on the proposed terms, the Partnership would expect to recognize a nominal gain for both financial reporting and Federal income tax purposes in 1996. Accordingly, the property was classified as held for sale or disposition at July 1, 1996, and therefore, has not been subject to continued depreciation. The accompanying consolidated financial statements include approximately \$3,324,000 and \$3,058,000 of revenues and \$2,636,000 and \$2,809,000 of operating expenses with respect to the property for the nine months ended September 30, 1996 and 1995. The property had a net carrying value of \$31,400,000 at September 30, 1996 and \$31,870,000 at December 31, 1995, respectively.

#### ADAMS/WABASH

The Palmer House Hotel did not renew its exclusive parking agreement with the Adams/Wabash Self Park upon its expiration in December 1995. This has had a negative impact on the property's operating cash flow and is projected to reduce the preferred return payable to the Partnership by approximately \$350,000 for 1996. This impact should be partially mitigated in future years as the property continues to increase transient parking volume to replace revenues previously generated by the Palmer House contract. Effective November 1, 1996, an affiliate of the General Partner assumed responsibility for the management of Adams/Wabash Self Park on

substantially the same terms.

## ADJUSTMENTS

In the opinion of the Managing General Partner, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation have been made to the accompanying figures as of September 30, 1996 and for the three and nine months ended September 30, 1996 and 1995.

## PART I. FINANCIAL INFORMATION

### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Reference is made to the notes to the accompanying consolidated financial statements for additional information concerning certain of the Partnership's investments.

During the second quarter some of the Limited Partners in the Partnership received from an unaffiliated third party an unsolicited tender offer to purchase up to 5,835 Interests in the Partnership at \$350 per Interest. During the third quarter, another unsolicited tender offer, with an unspecified expiration date, was received by certain Limited Partners to purchase an unspecified number of Interests at \$270 per Interest. The Partnership recommended against acceptance of these offers on the basis that, among other things, the offer price was inadequate. In June the first such offer expired. As of November 1996, approximately 1,268 Interests were purchased by such unaffiliated third parties pursuant to such offers. In addition, the Partnership has, from time to time, received inquiries from other third parties that may consider making offers for Interests, including requests for the list of Limited Partners in the Partnership. These inquiries are generally preliminary in nature. There is no assurance that any other third party will commence an offer for Interests, the terms of any such offer or whether any such offer, if made, will be consummated, amended or withdrawn. The board of directors of JMB Realty Corporation ("JMB") the managing general partner of the Partnership, has established a special committee (the "Special Committee") consisting of certain directors of JMB to deal with all matters relating to tender offers for Interests in the Partnership, including any and all responses to such tender offers. The Special Committee has retained independent counsel to advise it in connection with any potential tender offers for Interests and has retained Lehman Brothers Inc. as financial advisor to assist the Special Committee in evaluating and responding to any additional potential tender offers for Interests.

At September 30, 1996, the Partnership and its consolidated venture had cash and cash equivalents of approximately \$9,536,000. Such funds are available for distributions to partners and for working capital requirements including tenant and capital improvements.

In 1996, in an effort to reduce Partnership operating expenses, the Partnership elected to make semi-annual, rather than quarterly, distributions of operating cash flow in May and November. In November, the Partnership expects to make a semi-annual distribution of cash generated from operations of \$17 per Interest (\$9 per Interest for the third quarter and \$8 per Interest for the fourth quarter). The net reduction in distributions from prior distribution levels was necessary primarily due to reductions in operating cash flow resulting from the sale of the Partnership's interest in the Miami International Mall and the First Financial Plaza office building. In addition, the Partnership anticipates reductions in operating cash flow due to the re-leasing programs required at certain of the Partnership's remaining investment properties over the next few years.

A special distribution of \$70 per Interest was made in May 1996 consisting of \$20 of previously undistributed cash generated from operations and \$50 of previously undistributed sales proceeds. In August 1996, a distribution of \$105 per Interest was made representing sales proceeds from the sale of the Partnership's interest in Miami International

Mall. In addition, the Partnership anticipates making a distribution of sale proceeds of \$38 per Interest from the sale of First Financial in November 1996. Previously, these sums had been reserved to fund the costs associated with the possible redevelopment of portions of the Fountain Valley Industrial Park to retail use. However, the Partnership did not receive municipal approval for the redevelopment program and, therefore, is distributing the funds no longer required for the project. Future cash distributions from sales or property operations will depend upon a combination of operating cash flow from the remaining investment properties and the expected future capital requirements of the Partnership.

After reviewing the remaining properties and the marketplaces in which they operate, the General Partners of the Partnership expect to be able to conduct an orderly liquidation of its remaining investment portfolio as quickly as practicable. Therefore, the affairs of the Partnership are expected to be wound up no later than December 31, 1999 (sooner if the properties are sold in the nearer term), barring unforeseen economic developments.

## RESULTS OF OPERATIONS

The decrease in cash and cash equivalents at September 30, 1996 as compared to December 31, 1995 is primarily due to the special distribution to the Limited Partners of \$70 per Interest in May 1996 partially offset by the temporary investment of sales proceeds received from the sale of the First Financial Plaza office building investment property as discussed above.

The decrease in investment in unconsolidated ventures at September 30, 1996 as compared to December 31, 1995 is primarily due to the April 1996 sale of the Partnership's interest in the Miami International Mall investment property and September 1996 sale of the First Financial Plaza office building investment property.

The decrease in unearned rents at September 30, 1996 as compared to December 31, 1995 is primarily due to the timing of rental receipts at the Rivertree Court Shopping Center investment property.

The decrease in interest income for the three and nine months ended September 30, 1996 as compared to the three and nine months ended September 30, 1995 is primarily due to the decrease in the Partnership's average invested balance in U.S. Government obligations at September 30, 1996 as compared to September 30, 1995.

The decrease in depreciation for the three and nine months ended September 30, 1996 as compared to the three and nine months ended September 30, 1995 is primarily due to the Rivertree Court Shopping Center investment property being classified as held for sale or disposition at July 1, 1996, and therefore, not being subject to continued depreciation.

The increase in property operating expenses for the three and nine months ended September 30, 1996 as compared to the three and nine months ended September 30, 1995 is primarily due to an increase in real estate tax expense at the Partnership's Rivertree Court Shopping Center investment property. The increase is also due to the expensing of approximately \$190,000 of accumulated costs (previously included in buildings and improvements in the accompanying consolidated financial statements) related to the potential redevelopment project, which is no longer viable, to partially convert the Fountain Valley Industrial Park investment property to retail uses.

The increase in general and administrative expenses for the nine months ended September 30, 1996 as compared to the nine months ended September 30, 1995 is primarily due to an increase in state income tax expense and an increase in reimbursable costs for the Partnership.

The decrease in Partnership's share of operations from unconsolidated ventures and increase in gain on sale of investment property of unconsolidated venture for the nine months ended September 30, 1996 as compared to the nine months ended September 30, 1995 is primarily due to the sale of the Partnership's interest in the Miami International Mall effective March 31, 1996 and the sale of the First Financial Plaza office

building effective September 11, 1996.

The provision for value impairment for the three and nine months ended September 30, 1995 is due to the provision for value impairments recorded at September 30, 1995 for both the Fountain Valley and Cerritos Industrial Park investment properties of \$4,200,000 and \$4,000,000, respectively. Such provisions were recorded to reduce the net carrying value of the investment properties to their then estimated recoverable values.

<TABLE>  
PART II. OTHER INFORMATION  
ITEM 5. OTHER INFORMATION

OCCUPANCY

The following is a listing of approximate physical occupancy levels by quarter for the Partnership's investment properties.

<CAPTION>

	1995				1996			
	At 3/31	At 6/30	At 9/30	At 12/31	At 3/31	At 6/30	At 9/30	At 12/31
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1. First Financial Plaza Encino (Los Angeles), California . . . . .	89%	86%	88%	89%	82%	84%	N/A	
2. Miami International Mall Miami, Florida . . . . .	89%	91%	90%	94%	94%	N/A	N/A	
3. Rivertree Court Shopping Center Vernon Hills (Chicago), Illinois (1) . . . . .	85%	96%	95%	99%	84%	83%	89%	
4. Fountain Valley Industrial Park Fountain Valley (Los Angeles), California . . . . .	92%	92%	100%	88%	93%	100%	94%	
5. Cerritos Industrial Park Cerritos (Los Angeles), California . . . . .	100%	100%	100%	100%	100%	100%	100%	
6. Adams/Wabash Self Park Chicago, Illinois . . . . .	*	*	*	*	*	*	*	

<FN>

An "N/A" indicates that the property was sold and not owned by the Partnership at the end of the quarter.

An asterisk indicates that the property is primarily a parking garage and occupancy information is not applicable. However, the approximate occupancy level for the retail portion of the structure as of September 30, 1996 is 48%.

(1) The Rivertree Court Shopping Center is 97% leased as of September 30, 1996. In December 1995, the HomeGoods Store lease (40,560 square feet or 14% of the property) was assigned to Best Buy Company, Inc., which opened August 2, 1996, as more further described in the Notes to Consolidated Financial Statements included in this report.

</TABLE>

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

3-A. The Prospectus of the Partnership dated August 20, 1986 as supplemented October 31, 1986 and January 26, 1987 as filed with the Commission pursuant to Rules 424(b) and 424(c) is hereby incorporated herein by reference to Exhibit 3-A to the Partnership's report for December 31, 1992 on Form 10-K (File No. 000-19496) dated March 18, 1993.

3-B. Amended and Restated Agreement of Limited Partnership set forth as Exhibit A to the Prospectus, which is hereby incorporated by reference to Exhibit 3-B to the Partnership's report for December 31, 1992 on Form 10-K (File No. 000-19496) dated March 18, 1993.

3-C. Acknowledgement of rights and duties of the General Partners of the Partnership between AGPP Associates, L.P. (a successor Associated General Partner of the Partnership) and JMB Realty Corporation as of December 31, 1995 is hereby incorporated herein by reference to the Partnership's report for June 30, 1996 on Form 10-Q (File No. 000-19496) dated August 9, 1996.

4-A. Copy of documents relating to the mortgage loan secured by the Rivertree Court Shopping Center, Vernon Hills (Chicago), Illinois dated December 30, 1988 is hereby incorporated by reference to Exhibit 4-A to the Partnership's report for December 31, 1992 on Form 10-K (File No. 000-19496) dated March 18, 1993.

4-B. Copy of documents relating to the mortgage loan secured by a first mortgage on West Dade's interest in Miami International Mall, Miami, Florida dated December 21, 1993 is hereby incorporated by reference to Exhibit 4-B to the Partnership's report for December 31, 1993 on Form 10-K (File No. 000-19496) dated March 25, 1994.

4-C. Copy of modification document relating to the mortgage loan secured by the First Financial Plaza Office Building in Encino, California is hereby incorporated by reference to Exhibit 4-C to the Partnership's Report for December 31, 1995 on Form 10-K (File No. 000-19496) dated March 25, 1996.

10-A. Acquisition documents relating to the purchase by the Partnership of Rivertree Court Shopping Center in Vernon Hills (Chicago), Illinois, are hereby incorporated by reference to Exhibit 1 to the Partnership's Form 8-K (File No. 000-19496) dated November 4, 1988.

10-B. Acquisition documents relating to the purchase by the Partnership of Fountain Valley Industrial Buildings in Fountain Valley, California and Cerritos Industrial Buildings in Cerritos, California, are hereby incorporated by reference to Exhibits 1 and 2 to the Partnership's Form 8-K (File No. 000-19496) dated November 15, 1988.

10-C. Acquisition documents relating to the acquisition by the Partnership of an interest in the Adams/Wabash Parking Garage in Chicago, Illinois are hereby incorporated by reference to Exhibit 3 to the Partnership's Form 8-K (File No. 000-19496) dated October 15, 1990.

10-D. Sale documents relating to the sale by the Partnership of an interest in the Miami International Mall in Miami, Florida are hereby incorporated by reference to the Partnership's report for April 8, 1996 on Form 8-K (File No. 0-19496) dated April 23, 1996.

10-E. Purchase Agreement and amendments thereto dated August 9, 1996 relating to the sale of First Financial Plaza by JMB Encino Partnership, L.P. are filed herewith.

## 27. Financial Data Schedule

Although certain long-term debt instruments of the Registrant have been excluded from Exhibit 4 above, pursuant to Rule (b)(4)(iii), the Registrants commits to provide copies of such agreements to the Securities and Exchange Commission upon request.

(b) No reports on Form 8-K have been filed during the last quarter of the period covered by this report.

SIGNATURES

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

JMB INCOME PROPERTIES, LTD. - XIII

BY: JMB Realty Corporation  
(Managing General Partner)

By: GAILEN J. HULL  
Gailen J. Hull, Senior Vice President  
Date: November 8, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person in the capacity and on the date indicated.

GAILEN J. HULL  
Gailen J. Hull, Principal Accounting Officer  
Date: November 8, 1996

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE REGISTRANT'S FORM 10-Q FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS INCLUDED IN SUCH REPORT.

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