FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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INLAND LAND APPRECIATION FUND LP
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended September 30, 1996

or

[ ] Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File #0-18431

Inland Land Appreciation Fund, L.P.
(Exact name of registrant as specified in its charter)

Delaware	#36-3544798
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2901 Butterfield Road, Oak Brook, Illinois	60521
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code: 630-218-8000

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

INLAND LAND APPRECIATION FUND, L.P.
(a limited partnership)

Balance Sheets

September 30, 1996 and December 31, 1995
(unaudited)

Assets

	1996	1995
Current assets:		
Cash and cash equivalents (Note 1)	$ 57,845	626,942
Accounts and accrued interest receivable	45,773	7,224
Mortgage loans receivable (Note 5)	35,662	73,614
Other current assets	2,741	1,165
Total current assets	142,021	708,945
Other assets	19,915	19,915
Investments in land and improvements, at cost (including acquisition fees paid to Affiliates of $1,470,375 and $1,476,810 at September 30, 1996 and December 31, 1995, respectively) (Notes 1, 2 and 3)	26,094,303	24,846,973
Total assets	$26,256,239	25,575,833

See accompanying notes to financial statements.

INLAND LAND APPRECIATION FUND, L.P.
(a limited partnership)

Balance Sheets
(continued)

September 30, 1996 and December 31, 1995
(unaudited)

Liabilities and Partners' Capital

	1996	1995
Current liabilities:		
Accounts payable	$ 73,137	131,772
Accrued real estate taxes	35,967	47,733
Due to Affiliates (Notes 2 and 6))	89,775	13,855
Notes payable to Affiliate (Note 6)	752,158	-
Unearned income	4,720	20,707
Current portion of deferred gain on sale	8,619	14,926
Total current liabilities	964,376	228,993
Partners' capital (Notes 1 and 2):		
General Partner:		

Capital contribution	500	500
Cumulative net income	167,941	168,497
Cumulative cash distributions	(153,743)	(153,743)
	14,698	15,254
Limited Partners:		
Units of $1,000. Authorized 30,001 Units, 29,705.25 and 29,792.25 Units outstanding at September 30, 1996 and December 31, 1995, respectively (net of offering costs of $3,768,113, of which $1,069,764 was paid to Affiliates)	25,965,871	26,040,820
Cumulative net income	3,457,689	3,437,161
Cumulative cash distributions	(4,146,395)	(4,146,395)
	25,277,165	25,331,586
Total Partners' capital	25,291,863	25,346,840
Total liabilities and Partners' capital	$26,256,239	25,575,833

See accompanying notes to financial statements.

INLAND LAND APPRECIATION FUND, L.P.
(a limited partnership)

Statements of Operations

For the three and nine months ended September 30, 1996 and 1995
(unaudited)

	Three months ended September 30,	Nine months ended September 30,

	1996	1995	1996	1995
Income:				
Sale of investments in land (Notes 1 and 3)	$ 159,624	542,440	218,741	681,567
Rental income (Note 4)	82,944	68,069	175,841	191,371
Interest income	1,738	20,319	10,235	58,387
Other income	149	-	179	-
	244,455	630,828	404,996	931,325
Expenses:				
Cost of investments in land sold	120,389	231,338	143,174	329,165
Professional services to Affiliates	13,149	9,767	26,713	22,900
Professional services to non-affiliates	789	455	28,253	25,018
General and administrative expenses to Affiliates	11,636	7,683	25,098	22,274
General and administrative expenses to non-affiliates	2,852	5,733	13,649	16,123
Marketing expenses to Affiliates	16,541	17,008	43,593	59,667
Marketing expenses to non-affiliates	3,079	10,544	21,640	20,921
Land operating expenses to Affiliates	13,781	14,301	42,708	43,162
Land operating expenses to non-affiliates	16,473	12,064	40,196	46,234
	198,689	308,893	385,024	585,464
Net income	$ 45,766	321,935	19,972	345,861

See accompanying notes to financial statements.

INLAND LAND APPRECIATION FUND, L.P.

(a limited partnership)

Statements of Operations
(continued)

For the three and nine months ended September 30, 1996 and 1995
(unaudited)

	Three months ended September 30, 1996	Three months ended September 30, 1995	Nine months ended September 30, 1996	Nine months ended September 30, 1995
Net income (loss) allocated to:				
General Partner..................	$ 65	109	(556)	(65)
Limited Partners.................	45,701	321,826	20,528	345,926
Net income.......................	$ 45,766	321,935	19,972	345,861
Net income (loss) allocated to the one General Partner Unit.........	$ 65	109	(556)	(65)
Net income allocated to Limited Partners per weighted average Limited Partnership Units (29,713 and 29,801 for the three months ended September 30, 1996 and 1995, and 29,760 and 29,806 for the nine months ended September 30, 1996 and 1995, respectively).....	$ 1.54	10.80	.69	11.61

See accompanying notes to financial statements.

INLAND LAND APPRECIATION FUND, L.P.
(a limited partnership)

Statements of Cash Flows

For the nine months ended September 30, 1996 and 1995
(unaudited)

	1996	1995
Cash flows from operating activities:		
Net income	$ 19,972	345,861
Adjustments to reconcile net income to net cash used in operating activities:		
Gain on sale of investments in land	(75,567)	(352,402)
Changes in assets and liabilities:		
Accounts and accrued interest receivable	(38,549)	(37,402)
Other current assets	(1,576)	(2,715)
Accounts payable	(58,635)	2,321
Accrued real estate taxes	(11,766)	(7,229)
Due to Affiliates	75,920	6,477
Unearned income	(15,987)	(19,808)
Net cash used in operating activities	(106,188)	(64,897)
Cash flows from investing activities:		
Additions to investments in land	(1,390,504)	(757,362)
Notes payable to Affiliate	752,158	-
Principal payments collected on mortgage loans receivable	37,952	-
Proceeds from disposition of land investments	212,434	681,567
Net cash used in investing activities	(387,960)	(75,795)
Cash flows from financing activities:		
Distributions	-	(368,325)
Repurchase of Limited Partnership Units	(74,949)	(12,347)

Net cash used in financing activities............	(74,949)	(380,672)
Net decrease in cash and cash equivalents........	(569,097)	(521,364)
Cash and cash equivalents at beginning of period..	626,942	1,267,942
Cash and cash equivalents at end of period........	$ 57,845	746,578

See accompanying notes to financial statements.

INLAND LAND APPRECIATION FUND, L.P.
(a limited partnership)

Notes to Financial Statements

September 30, 1996
(unaudited)

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 duplicate those contained in such audited financial statements have been omitted from this Report.

(1) Organization and Basis of Accounting

Inland Land Appreciation Fund, L.P. (the "Partnership") was organized on October 23, 1987 by the filing of a Certificate of Limited Partnership, which was restated on August 25, 1988, under the Revised Uniform Limited Partnership Act of the State of Delaware. On October 12, 1988, the Partnership commenced an Offering of 10,000 (subject to increase to 30,000) Limited Partnership Units pursuant to a Registration under the Securities Act of 1933. The Offering terminated on October 6, 1989, with total sales of 30,000 Units at $1,000 per Unit, resulting in $30,000,000 in gross offering proceeds, not including the General Partner's contribution of $500 or the Initial Limited Partner's contribution of $1,000. All of the holders of these Units have been admitted to the Partnership. As of September 30, 1996, the Partnership has repurchased a total of 295.75 Units for $267,018 from various Limited Partners through the Unit Repurchase Program. Under this program Limited Partners may under certain circumstances have their Units repurchased for an amount equal to their Invested Capital. Inland Real Estate Investment Corporation is the General Partner.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Offering costs have been offset against the Limited Partners' capital accounts.

The Partnership considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents and are carried at cost, which approximates fair value because of the relative short maturity of these instruments.

Investments in land held by the Partnership are carried at the lower of aggregate cost or net realizable value. Periodically, the Partnership reviews the portfolio and if management determines that parcels suffered an impairment in value which is deemed to be other than temporary, the carrying value of the parcels would be reduced to their net realizable value. Through September 30, 1996, there were no such impairments.

Except as described in footnote (b) to Note (3) of these notes, the Partnership uses the area method of allocation, which approximates relative sales method of allocation, whereby a per acre price is used as the standard allocation method for land purchases and sales. The total cost of parcel is divided by the total number of acres to arrive at a per acre price.

The fair value of the mortgage loans receivable approximates their carrying value due to their short term to maturity.

No provision for Federal income taxes has been made as the liability for such taxes is that of the partners rather than the Partnership.

Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets to Be Disposed Of" was issued in March 1995 and is effective for fiscal years beginning after December 15, 1995. This pronouncement is not expected to have a material effect on the financial position or results of operations of the Partnership.

In the opinion of management, the financial statements contain all the adjustments necessary, which are of a normal recurring nature, to present fairly the financial position and results of operations for the periods presented herein. Results of interim periods are not necessarily indicative of results to be expected for the year.

(2) Transactions with Affiliates

The General Partner and its Affiliates are entitled to reimbursement for salaries and expenses of employees of the General Partner and its Affiliates relating to the administration of the Partnership. Such costs are included in professional services to Affiliates and general and administrative expenses to Affiliates, of which $17,278 and $13,440 was unpaid as of September 30, 1996 and December 31, 1995, respectively.

The General Partner is entitled to receive Asset Management Fees equal to one-quarter of 1% of the original cost to the Partnership of undeveloped land annually, limited to a cumulative total over the life of the Partnership of 2% of the land's original cost to the Partnership. Such fees of $42,708 and $43,162 have been incurred for the nine months ended September 30, 1996 and 1995, respectively, and are included in land operating expenses to Affiliates, of which $13,781 and $415 was unpaid as of September 30, 1996 and December 31, 1995, respectively.

An Affiliate of the General Partner performed marketing and advertising services of the Partnership's land investments and was reimbursed (as set forth under terms of the Partnership Agreement) for direct costs. Such costs of $43,593 and $59,667 have been incurred and are included in marketing expenses to Affiliates for the nine months ended September 30, 1996 and 1995, respectively, of which $15,814 and $0 was unpaid as of September 30, 1996 and December 31, 1995, respectively.

An Affiliate of the General Partner performed property upgrades, rezoning, annexation and other activities to prepare the Partnership's land investments for sale and was reimbursed (as set forth under terms of the Partnership Agreement) for salaries and direct costs. The Affiliate did not take a profit on any project. Such costs of $113,920 and $66,175 have been incurred for the nine months ended September 30, 1996 and 1995, respectively, and are included in investments in land and improvements, of which $42,902 and $0 was unpaid as of September 30, 1996 and December 31, 1995, respectively.

Through the Partnership's participation in an insurance program, claims from the Partnership's properties, as well as properties owned by other limited partnerships syndicated by Affiliates, were managed through a loss reserve trust. For the nine months ended September 30, 1996 and 1995, the Partnership paid $2,919 and $2,605, respectively, to the loss reserve trust for the land parcels.

(3) Investments in Land and Improvements

Parcel	Location: County	Gross Acres Purchased (Sold)	Purchase/ Sales Date	Original Costs	Initial Costs Acquisition Costs	Total
1	Kendall	84.7360	01/19/89	$ 423,680	61,625	485,305
2	McHenry	223.4121	01/19/89	650,000	95,014	745,014
		(183.3759)	12/27/90			
3	Kendall	20.0000	02/09/89	189,000	13,305	202,305
		(20.0000)	05/08/90			
4	Kendall	69.2760	04/18/89	508,196	38,126	546,322
		(.4860)	02/28/91			
		(27.5750)	08/25/95			
5	Kendall (a)	372.2230	05/03/89	2,532,227	135,943	2,668,170
		(Option)	04/06/90			
6	Kendall (b)	78.3900	06/21/89	416,783	31,691	448,474
7	Kendall (b)	77.0490	06/21/89	84,754	8,163	92,917
8	Kendall (b)	5.0000	06/21/89	60,000	5,113	65,113
		(5.0000)	10/06/89			
9	McHenry (b)	51.0300	08/07/89	586,845	22,482	609,327
10	McHenry (b)	123.9400	08/07/89	91,939	7,224	99,163
		(123.9400)	12/06/89			
11	McHenry (b)	30.5920	08/07/89	321,216	22,641	343,857
12	Kendall	90.2710	10/31/89	907,389	41,908	949,297
		(.7090)	04/26/91			
13	McHenry	92.7800	11/07/89	251,306	19,188	270,494
14	McHenry	76.2020	11/07/89	419,111	23,402	442,513

15	Lake	84.5564 (5.6770)	01/03/90 08/08/96	1,056,955	85,283	1,142,238
Subtotal				8,499,401	611,108	9,110,509

Parcel	Costs Capitalized Subsequent to Acquisition	Costs of Property Sold	Total Remaining Costs of Parcels at 9/30/96	Current Year Gain on Sale Recognized
1	1,564,075	-	2,049,380	-
2	16,869	611,505	150,378	-
3	-	202,305	-	-
4	(4,517)	235,275	306,530	-
5	25,671	160,313	2,533,528	-
6	134,154	-	582,628	-
7	118,724	-	211,641	-
8	-	65,113	-	-
9	610	-	609,937	-
10	600	99,763	-	-
11	5,420	-	349,277	-
12	329	7,456	942,170	-
13	2,981	-	273,475	-
14	42,784	-	485,297	-
15	733,926	120,389	1,755,775	39,235
	2,641,626	1,502,119	10,250,016	39,235

(3) Investments in Land and Improvements (continued)

Parcel	Location: County	Gross Acres Purchased (Sold)	Purchase/ Sales Date	Original Costs	Initial Costs Acquisition Costs	Total
	Subtotal			8,499,401	611,108	9,110,509
16	Kane/Kendall	72.4187	01/29/90	1,273,537	55,333	1,328,870
17	McHenry	99.9240	01/29/90	739,635	61,038	800,673
18	McHenry	71.4870	01/29/90	496,116	26,259	522,375
		(.5000)	06/05/90			
		(.5000)	12/11/90			
		(.5200)	03/11/93			
19	McHenry	63.6915	02/23/90	490,158	29,158	519,316
20	Kane	224.1480	02/28/90	2,749,800	183,092	2,932,892
		(.2790)	10/17/91			
21	Kendall	172.4950	03/08/90	1,327,459	75,822	1,403,281
22	McHenry	254.5250	04/11/90	2,608,881	136,559	2,745,440
23	Kendall	140.0210	05/08/90	1,480,000	116,240	1,596,240
		(4.4100)	var 1993			
		(35.8800)	var 1994			
		(3.4400)	var 1995			
24	Kendall	298.4830	05/23/90	1,359,774	98,921	1,458,695
		(12.4570)	05/25/90			
		(4.6290)	04/01/96			
25	Kane	225.0000	06/01/90	2,600,000	168,778	2,768,778
				$23,624,761	1,562,308	25,187,069

Parcel	Costs Capitalized Subsequent to Acquisition	Costs of Property Sold	Total Remaining Costs of Parcels at 9/30/96	Current Year Gain on Sale Recognized
	2,641,626	1,502,119	10,250,016	39,235
16	45,788	-	1,374,658	-

17	193,485	-	994,158	-
18	16,077	11,109	527,343	-
19	6,752	-	526,068	-
20	211,893	3,651	3,141,134	-
21	118,840	-	1,522,121	-
22	22,260	-	2,767,700	-
23	417,870	1,196,909	817,201	6,306
24	16,735	83,663	1,391,767	30,026
25	13,359	-	2,782,137	-
	3,704,685	2,797,451	26,094,303	75,567

(3) Investments in Land and Improvements (continued)

a. Included in the purchase agreement of Parcel 5 was a condition that required the Partnership to buy an option to purchase an additional 243 acres immediately to the west of this parcel. The sale transaction relates to the sale of this option.

b. The Partnership purchased from two third parties, two sets of three contiguous parcels of land (Parcels 6,7 & 8; and Parcels 9, 10 and 11). The General Partner believes that the total value of this land will be maximized if it is treated and marketed to buyers as six separate parcels and closed the transactions as six separate purchases to facilitate this. Parcels 6, 7, and 8 will be treated as one parcel and Parcels 9, 10 and 11 will be treated as one parcel for purposes of computing Parcel Capital (as defined) and distributions to the Partners.

c. Reconciliation of real estate owned:

	1996	1995
Balance at January 1,...........	$24,846,973	24,106,379
Additions during period.........	1,390,504	1,069,759
Sales during period.............	143,174	329,165
Balance at end of period........	$26,094,303	24,846,973

(4) Farm Rental Income

The Partnership has determined that all leases relating to the farm parcels are operating leases. Accordingly, rental income is reported when earned.

As of September 30, 1996, the Partnership had farm leases of generally one year in duration, for approximately 2,145 acres of the approximately 2,672 acres owned.

(5) Mortgage Loans Receivable

As a result of the sale of four lots in Parcel 23, the Partnership received mortgage loans receivable totaling $155,921. As of December 31, 1995, two mortgage loans receivable totaling $82,307 had been prepaid. During June 1996, an additional mortgage loan receivable of $37,952 was prepaid. The Partnership will continue to receive interest only payments based on an interest rate of 9% per annum on the remaining mortgage loan which has principal due in the fourth quarter of 1996.

(6) Notes Payable to Affiliate

On May 1, 1996 and June 1, 1996, the Partnership obtained two separate lines of credit from the General Partner, Inland Real Estate Investment Corporation, in the aggregate amounts of $1,000,000 and $3,000,000, to be used specifically for the pre-development improvements on two of the Partnership's land investments, Parcel 15 and Parcel 1, respectively. As of September 30, 1996, notes payable to Affiliate was $752,158, of which $250,249 was applicable to the note collateralized by Parcel 15 and $501,909 was applicable to the note collateralized by Parcel 1. Included in the $752,158 is accrued interest of $14,462, of which $6,686 was unpaid as of September 30, 1996. The Partnership is required to pay a 1% loan fee to the General Partner on each line of credit as money is funded. As of September 30, 1996, loan fees paid to the General Partner totaled $7,522, all of which have been paid and included in investment in land and improvements. The note collateralized by Parcel 15, accrues interest at 10.9%, and requires a principal paydown of $150,000 on October 1, 1996, and thereafter Net Sales Proceeds from Parcel 15 will be applied first to paydown the note. This note has a maturity date of May 1, 1997. The note collateralized by Parcel 1, accrues interest at 10.9%, and requires Net Sales Proceeds from Parcel 1 to be applied first to paydown the note. This note has a maturity date of June 30, 1998.

(7) Subsequent Events

On October 28, 1996, the Partnership sold its third lot (Lot #25) in the Countryside Glen Subdivision (Parcel 15) to an unaffiliated third party for $105,990. The cost allocated to the lot was $30,592, resulting in a gain on sale of $74,835, net of closing costs.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

On October 12, 1988, the Partnership commenced an Offering of 10,000 (subject to increase to 30,000) Limited Partnership Units pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933. The Offering terminated on October 6, 1989, with total sales of 30,000 Units at $1,000 per Unit, resulting in $30,000,000 in gross offering proceeds, not including the General Partner's contribution of $500 or the Initial Limited Partner's contribution of $1,000. The Limited Partners of the Partnership will share in their portion of benefits of ownership of the Partnership's real property investments according to the number of Units held.

The Partnership used $25,187,069 of gross offering proceeds to purchase, on an all-cash basis, twenty-five parcels of undeveloped land and an option to purchase undeveloped land. These investments included the payment of the purchase price, acquisition fees and acquisition costs of such properties. Fourteen of the parcels were purchased during 1989 and eleven during 1990. As of September 30, 1996, the Partnership has had multiple sales transactions, through which it has disposed of approximately 430 acres of the approximately 3,102 acres originally owned. As of September 30, 1996, cumulative distributions of net sales proceeds have totaled $4,146,395 to the Limited Partners (which represents a return of Invested Capital, as defined in the Partnership Agreement) and $153,743 to the General Partner. As of September 30, 1996, the Partnership has used $3,704,685 of working capital reserve for rezoning and other activities and such amount is included in investments in land and improvements.

The Partnership's capital needs and resources will vary depending upon a number of factors, including the extent to which the Partnership conducts rezoning and other activities relating to utility access, the installation of roads, subdivision and/or annexation of land to a municipality, changes in real estate taxes affecting the Partnership's land, and the amount of revenue received from leasing. As of September 30, 1996, the Partnership owns, in whole or in part, twenty-two of its original parcels, the majority of which are leased to local tenants and are generating sufficient cash flow from leases to cover property taxes and insurance.

At September 30, 1996, the Partnership had cash and cash equivalents of $57,845. The Unit Repurchase Program has approximately $123,023 remaining for the repurchase of Units. There are currently no requests for repurchase, but the Partnership plans to replenish cash available for this program through future parcel sales. The Partnership has increased its parcel sales effort in anticipation of rising land values.

The Partnership plans to enhance the value of its land through pre-development activities such as rezoning annexation and land planning. The Partnership has already been successful in, or is in the process of pre-development activity on a majority of the Partnership's land investments. Parcel 1, zoned and its preliminary plan approved by the Village of Oswego, has improvements underway and sites are being marketed to potential buyers. Parcel 15, zoned and annexed to the Village of Hawthorn Woods, also has improvements underway and sites are being marketed to potential buyers.

Results of Operations

As of September 30, 1996, the Partnership owned twenty-two parcels of land consisting of approximately 2,672 acres. Of the 2,672 acres owned, approximately 2,145 acres are tillable and leased to local farmers and are generating sufficient cash flow to cover property taxes, insurance and other miscellaneous expenses. The sale of investments in land income and the cost of investments in land sold recorded for the three and nine months ended September 30, 1995 is a result of the continued sale of lots of Parcel 23 and the sale of 27.575 acres of Parcel 4. The sale of investments in land income and the cost of investments in land sold recorded for the three and nine months ended September 30, 1996 is a result of the sale of 4.629 acres of Parcel 24, the sale of 5.677 acres (Lots 1 and 2) of Parcel 15 and the prepayment of a mortgage loan receivable and recognition of deferred gain relating to the 1994 lot sales of Parcel 23. The decrease in rental income and land operating expenses to Affiliates for the nine months ended September 30, 1996, as compared to nine months ended September 30, 1995, is due to the decrease of tillable acres and an overall decrease of the land portfolio as a result of land sales and pre-development. This decrease was partially offset by the annual increase in lease amounts from tenants. The decrease in land operating expenses to non-affiliates for the nine months ended September 30, 1996, as compared to the nine months ended September 30, 1995, is due to decreases in real estate taxes, insurance and grounds maintenance of the land portfolio as a result of land sales.

Interest income decreased for the three and nine months ended September 30, 1996, as compared to the three and nine months ended September 30, 1995, due primarily to the Partnership utilizing its working capital reserve to fund pre-development activity on the Partnership's land investments.

Professional services to Affiliates increased for the three and nine months ended September 30, 1996, as compared to the three and nine months ended September 30, 1995, due to increases in legal services required by the Partnership. This increase was partially offset by a decrease in accounting services. Professional services to non-affiliates increased for the three and nine months ended September 30, 1996, as compared to the three and nine months ended September 30, 1995, due to an increase in legal services.

General and administrative expenses to Affiliates increased for the three and nine months ended September 30, 1996, as compared to the three and nine months ended September 30, 1995, due primarily to an increase in postage. General and administrative expenses to non-affiliates decreased for the three and nine months ended September 30, 1996, as compared to the three and nine months ended September 30, 1995, due primarily to a decrease in the Illinois Replacement Tax.

Marketing expenses to Affiliates decreased for the three and nine months ended September 30, 1996, as compared to the three and nine months ended September 30, 1995, due to a decrease in expenses relating to marketing and advertising the Partnership's land investments. Marketing expenses to non-affiliates increased for the nine months ended September 30, 1996, as compared to the nine months ended September 30, 1995, due to an increase in advertising and travel expenses relating to marketing the land portfolio to prospective purchasers.

PART II - Other Information

Items 1 through 5 are omitted because of the absence of conditions under which they are required.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

(27) Financial Data Schedule

(b) Reports on Form 8-K:

None

SIGNATURES

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

INLAND LAND APPRECIATION FUND, L.P.

By: Inland Real Estate Investment Corporation
General Partner

/S/ ROBERT D. PARKS

By: Robert D. Parks
Chairman
Date: November 13, 1996

/S/ PATRICIA A. CHALLENGER

By: Patricia A. Challenger
Senior Vice President
Date: November 13, 1996

/S/ KELLY TUCEK

By: Kelly Tucek
Principal Financial Officer and
Principal Accounting Officer
Date: November 13, 1996

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