

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT FORM

**Pursuant to Section 13 or 15(d) of the
Securities and Exchange Act of 1934**

Date of Report (Date of earliest event reported) January 23, 2002

National Real Estate Limited Partnership Income Properties II
(Exact name of registrant as specified in its charter)

Wisconsin
(State or other Jurisdiction
of Organization)

01-16874
(Commission File
Number)

39-1553195
(IRS Employer
Identification Number)

1155 Quail Court, Pewaukee, Wisconsin
(Address of principal executive offices)

53072-3703
(Zip Code)

Registrant's telephone number, including
area code

(262) 695-1400

Not Applicable

(Former name or former address, if changed since last report)

Item 2. Acquisition or Disposition of Assets

National Real Estate Limited Partnership Income Properties II (the Partnership) sold a residential apartment complex known as Amberwood Apartments on January 23, 2002, to Amberwood Development, LLC, for \$3,350,000.00.

Amberwood Apartments is located at 152nd Avenue, Park Township, Michigan. Constructed between 1985 and 1990, Amberwood Apartments is a 56-unit apartment complex, on approximately 5.7 acres, consisting of approximately 58,000 square feet of dwelling space.

No relationship exists between Amberwood Development, LLC, the purchaser, and National Real Estate Limited Partnership Income Properties II, the seller, or any of its affiliates, any director or officer of the Partnership, or any associate of any such director or officer.

Item 7. Financial Statements and Exhibits

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Unaudited Pro Forma Financial Information

The following unaudited pro forma financial statements of the Partnership have been prepared to illustrate the effect of the sale of Amberwood Apartments. The unaudited September 30, 2001 pro forma Balance Sheet gives effect to the sale of Amberwood Apartments as if it has occurred on January 1, 2001. The unaudited pro forma Statement of Operations for the year ended December 31, 2000, gives effect to the sale of Amberwood Apartments as if it had occurred on January 1, 2000. The unaudited pro forma Statement of Operations for the nine months ended September 30, 2001, gives effect to the sale of Amberwood Apartments as if it had occurred on January 1, 2001.

The pro forma combined financial statements are presented for illustrative purposes only, and are not necessarily indicative of the financial position results of operations of the Partnership that would have been reported had the sale of Amberwood Apartments occurred on the dates indicated, nor do they represent a forecast of the financial position of the Partnership at any future date, or the results of operations of the Partnership for any future period.

NATIONAL REAL ESTATE LIMITED PARTNERSHIP INCOME PROPERTIES II

(A Wisconsin Limited Partnership)

BALANCE SHEET

(Unaudited)

	Actual 9 months ending <u>September 30,</u> <u>2001</u>	Pro forma 9 months ending <u>September 30,</u> <u>2001</u>
ASSETS		
Cash and cash equivalents	\$254,843	\$2,783,319
Escrow deposits and other assets	46,255	36,210
Investment properties, at cost		
Land	516,590	404,796
Buildings and improvements	<u>4,154,507</u>	<u>1,322,560</u>
	4,671,097	1,727,356
Less accumulated depreciation	<u>1,905,479</u>	<u>640,275</u>
	<u>2,765,618</u>	<u>1,087,081</u>
<i>Intangible Assets:</i>		
Debt issue costs, net of accumulated amortization of \$29,632 as of September 30, 2001	<u>2,947</u>	<u>0</u>
	<u>\$3,069,663</u>	<u>\$3,906,610</u>
LIABILITIES AND PARTNERS=CAPITAL		
<i>Liabilities:</i>		
Accrued expenses and other liabilities	\$536	\$536
Accrued real estate tax	22,726	11,681
Tenant security deposits	26,450	0
Mortgage note payable (Note 5)	519,062	0
Deferred rent	<u>14,936</u>	<u>14,936</u>
	583,710	27,153
<i>Partners=Capital:</i>		
General Partners	57,086	68,216
Limited Partners	<u>2,428,867</u>	<u>3,811,241</u>
(authorized 40,000 Interests; issued 20,653.69 Interests)		

See notes to financial statements.

2,485,953 3,879,457
\$3,069,663 \$3,906,610

NATIONAL REAL ESTATE LIMITED PARTNERSHIP INCOME PROPERTIES II
(A Wisconsin Limited Partnership)
Statement of Operations
(Unaudited)

	<u>Actual ended</u> <u>December</u> <u>31,2000</u>	<u>Pro forma</u> <u>ended</u> <u>December</u> <u>31,2000</u>	<u>Actual 9</u> <u>months ended</u> <u>September</u> <u>30, 2001</u>	<u>Pro forma 9</u> <u>months ended</u> <u>September</u> <u>30, 2001</u>
INCOME				
Operating income	\$764,017	\$292,192	\$563,053	\$216,100
Total income	764,017	292,192	563,053	216,100
 OPERATING EXPENSES				
Operating expenses	342,585	139,243	235,818	78,248
Administrative expenses	167,750	150,047	112,408	92,352
Depreciation and amortization	146,233	66,432	109,429	33,561
Interest expense	45,761	9,395	33,295	9,395
Total expenses	<u>702,329</u>	<u>365,117</u>	<u>490,950</u>	<u>213,556</u>
 Income from Operations	<u>61,688</u>	<u>(72,925)</u>	<u>72,103</u>	<u>2,544</u>
Other Income (Expenses):				
Interest income	<u>21,255</u>	20,448	<u>8,211</u>	7,633
Gain on sale		<u>1,380,467</u>		<u>1,463,641</u>
 Net Income	<u>\$82,943</u>	<u>\$1,327,990</u>	<u>\$80,314</u>	<u>\$1,473,818</u>
 Net Income attributable to General Partners (5%)	\$4,147	\$11,181	\$4,016	\$15,144
Net Income attributable to Limited Partners (95%)	\$78,796	\$1,316,809	\$76,298	\$1,458,674

Per Limited Partnership	<u>\$3.82</u>	<u>\$63.76</u>	<u>\$3.69</u>	<u>\$70.63</u>
Interests outstanding 20,653.69				

See notes to financial statements.

Cash from Sale

Cash proceeds from the sale of Amberwood Apartments will be distributed to the limited partners.

Exhibits

No exhibits accompany this filing.

Signature

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 herunto duly authorized.

National Real Estate Limited Partnership Income Properties II
Registrant

Date

By John Vishnevsky, General Partner