

Mail Stop 4561

October 2, 2008

William J. Carden  
Chief Executive Officer  
5850 San Felipe, Suite 450  
Houston, TX 77057

**Re: American Spectrum Realty, Inc.  
Form 10-K for Year Ended December 31, 2007  
Form 10-Q for Quarter Ended March 31, 2008 and June 30, 2008  
File No. 001-16785**

Dear Mr. Carden:

We have reviewed your response letter dated September 3, 2008, and have the following additional comment.

Form 10-K

Financial Statements and Notes

Statements of Cash Flows, page 6

1. We have read and considered your response to comment three. In futures filings, beginning with your 10-Q for the nine months ended September 30, 2008, please present the release of the restricted cash as cash from financing activities and provide disclosures regarding the change in the footnotes.

\* \* \* \*

As appropriate, please respond to these comments within 10 business days or tell us when you will provide us with a response. Detailed cover letters greatly facilitate our review. Please file your cover letter on EDGAR. Please understand that we may have additional comments after reviewing your responses to our comments.

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You may contact Yolanda Crittendon, Staff Accountant, at (202) 551-3472, or the undersigned at (202) 551-3414 if you have questions.

Sincerely,

Jorge Bonilla  
Senior Staff Accountant