



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

September 2, 2010

Charles J. Schreiber, Jr.  
Chief Executive Officer  
KBS Real Estate Investment Trust III, Inc.  
620 Newport Center Drive, Suite 1300  
Newport Beach, California 92660

**Re: KBS Real Estate Investment Trust III, Inc.  
Amendment No. 2 to Registration Statement on Form S-11  
Filed August 20, 2010  
File No. 333-164703**

Dear Mr. Schreiber:

We have reviewed your registration statement and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter by amending your registration statement and providing the requested information. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your registration statement and the information you provide in response to these comments, we may have additional comments. Please note that the page numbers referenced below correspond to the page numbers in the courtesy copies of your registration statement.

General

1. We note your response to comment 19 in our letter dated June 15, 2010. Please update your disclosure in the plan of distribution to describe the wholesaling arrangements you have described in your response letter.

Risk Factors, page 29

Our board's loyalties to KBS REIT I, KBS REIT II, KBS Legacy Partners Apartment REIT, KBS Strategic Opportunity REIT . . . ., page 38

2. We refer to your revised disclosure on page 40. The tables you have added on page 40 with director compensation fees are much too detailed for the risk factor section. Please move

this disclosure to another appropriate section of the prospectus. See Item 503(c) of Regulation S-K which requires risk factor discussion to be “concise.”

Table III, page P-9

3. We refer to footnote 2 in Table III which provides that “GAAP basis income for investment companies does not include depreciation expense.” Instruction 4 to Table III of Guide 5 provides that “[i]nformation should be presented on the basis of generally accepted accounting principles (‘GAAP’) where indicated. However, where information about nonpublic programs is required to be included, such information may be presented on a tax basis if the program’s books have not been kept on a GAAP basis.” Please tell us why you have included a presentation that excludes depreciation expense. Alternatively, please tell us your basis in GAAP for recording these real estate investments at fair value.

Part II – Information Not Required In Prospectus, page II-1

Table VI – Acquisitions of Properties by Programs, page II-7

4. We note your response to comment 12 in our letter dated June 15, 2010. Please add disclosure in a footnote to the table or its introductory paragraph to clarify that you have allocated the purchase price of a real estate investment among the cost of tangible assets, identifiable intangibles and assumed liabilities in accordance with FAS 141, which is different from how it is allocated in Schedule III of Form 10-K.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Act of 1933 and all applicable Securities Act rules require. Since the company and its management are in possession of all facts relating to a company’s disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

Notwithstanding our comments, in the event you request acceleration of the effective date of the pending registration statement please provide a written statement from the company acknowledging that:

- should the Commission or the staff, acting pursuant to delegated authority, declare the filing effective, it does not foreclose the Commission from taking any action with respect to the filing;
- the action of the Commission or the staff, acting pursuant to delegated authority, in declaring the filing effective, does not relieve the company from its full responsibility for the adequacy and accuracy of the disclosure in the filing; and
- the company may not assert staff comments and the declaration of effectiveness as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

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Please refer to Rules 460 and 461 regarding requests for acceleration. We will consider a written request for acceleration of the effective date of the registration statement as confirmation of the fact that those requesting acceleration are aware of their respective responsibilities under the Securities Act of 1933 and the Securities Exchange Act of 1934 as they relate to the proposed public offering of the securities specified in the above registration statement. Please allow adequate time for us to review any amendment prior to the requested effective date of the registration statement.

You may contact Mark Rakip at 202-551-3573 or Jennifer Monick at 202-551-3295 if you have questions regarding comments on the financial statements and related matters. With respect to questions relating to our comment regarding the Investment Company Act, please contact Rochelle Plesset in the Division of Investment Management at 202-551-6840. Please contact Erin Martin at 202-551-3391 or me at 202-551-3655 with any other questions.

Sincerely,

Sonia Barros  
Special Counsel

cc: Robert H. Bergdolt, Esq.  
Carrie J. Hartley, Esq.  
DLA Piper LLP (US)  
*Via facsimile (919) 786-2200*