

Mail Stop 4561

December 6, 2007

VIA U.S. MAIL AND FAX (469) 522-4299

Steven Abney
Chief Financial Officer
Income Opportunity Realty Investors, Inc.
1755 Wittington Place, Suite 340
Dallas, TX 75234

**Re: Income Opportunity Realty Investors, Inc.
Form 10-K for Fiscal Year Ended
December 31, 2006
Filed March 30, 2007
File No. 001-14784**

Dear Mr. Abney:

We have reviewed your filing and have the following comments. In our comments, we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Form 10-K for the year ended December 31, 2006

Financial Statements

Consolidated Balance Sheets, page 28

1. We note you have minority interest on your Consolidated Balance Sheets and you have income allocated to minority interests on your Consolidated Statements of Operations. Please tell us and disclose the transaction that resulted in these minority interest items.

Schedule IV, page 48

2. We note you include Schedule IV. Please tell us how you have complied with Rule 5-04 of Regulation S-X, or tell us why you believe it was not necessary to disclose the information for your investments in mortgage loans on real estate.

Item 13. Certain Relationships and Related Transactions

Related Party Transactions, page 62

3. We note you disclose that management believes that all of the related party transactions represented the best investments available at the time and were at least as advantageous to the Company as could have been obtained from unrelated third parties. Please tell us how you have complied with paragraph 3 of SFAS 57.

* * * *

Please respond to our comments within 10 business days or tell us when you will provide us with a response. Please file your response letter on EDGAR. Please understand that we may have additional comments after reviewing your response to our comments.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filings reviewed by the staff to be certain that they have provided all information investors require for an informed decision. 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.

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In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filings;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filings; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filings or in response to our comments on your filings.

You may contact Jennifer Monick, Staff Accountant at (202) 551-3295, or the undersigned at (202) 551-3629 if you have questions.

Sincerely,

Kevin Woody
Branch Chief