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KBS REIT III Expands in Greater Nashville, Tenn.

Non-traded REIT acquires Class A McEwen Building in sought-after Cool Springs submarket

COOL SPRINGS, Tenn. (May 2, 2012) – [KBS Real Estate Investment Trust III](#) (KBS REIT III), a publicly registered, non-traded real estate investment trust based in Newport Beach, Calif., has purchased The McEwen Building, a 175,262-square-foot office building in Cool Springs, Franklin, Tenn., 15 miles south of downtown Nashville. [Amstar](#), headquartered in Denver, was the seller. With the acquisition, KBS and affiliated companies own 726,446 square feet of space in the greater Nashville area.

The McEwen Building is a LEED-designed six-story office building with ground floor retail located in the desirable office, retail and residential submarket of Cool Springs in Williamson County, one of the nation's most affluent counties. The Building sits within the 93-acre mixed-use McEwen project that offers 370 existing apartments and 45,000 square feet of retail space, including Whole Foods and BrickTops. An additional 40,000 square feet of retail is expected to open in the fall. Amstar was represented by Don Albright of [Cushman & Wakefield/Cornerstone](#) in Nashville, while KBS represented itself in the transaction. The deal was KBS REIT III's fourth acquisition.

"From an asset perspective, The McEwen Building 'out-leased' several competitor buildings due to its quality, superior amenities and proximity to Interstate 65," said Stephen Evans, KBS Mid-Atlantic Region senior vice president and director of acquisitions and dispositions. "From a location perspective, the area has had positive net absorption for the past 10 years, and office vacancy stands at six percent and unemployment is low at seven percent. The building and the market have all the characteristics we are seeking."

Amstar, in partnership with Southern Land Company, developed the property starting in 2008 on a 10.7-acre site at the intersection of West McEwen Drive and Mallory Lane. Through an aggressive marketing and leasing plan, Amstar and Southern Land Company stabilized the property within two years of delivery. The property is currently 97-percent leased to credit tenants, including Renal Advantage, Mars Petcare, Raymond James, Carlisle Companies, Inc. and Cisco Systems, Inc.

(more)

“Amstar is excited to sell the property to such a capable buyer and landlord as KBS,” remarked Amstar Senior Vice President Della Wegman. “While we remain excited about the remaining opportunities at McEwen, we are very pleased to welcome KBS as a neighbor.”

About KBS

KBS Capital Advisors is an affiliate of KBS Realty Advisors, which is a private equity real estate company and SEC-registered investment advisor founded by Peter Bren and Charles Schreiber, Jr. Since 1992, KBS Realty Advisors and its affiliated companies have completed transactional activity in excess of \$22.2 billion via 14 separate accounts, six commingled funds, five sovereign wealth funds and five non-traded REITs. For information, visit www.kbsrealty.com.

About Amstar

Amstar Advisers, LLC is a global investment manager focused on creating value for its clients through the implementation of sound real estate-related investment strategies. The firm is an affiliate of, and is commonly managed by, Amstar Group, LLC, a real estate investment manager with more than 25 years of experience in acquisition, development, and capitalization of office, hotel, multifamily, industrial, and retail properties within the major markets of the United States and select markets in Europe and Latin America.

Together, Amstar Advisers, LLC and Amstar Group, LLC, collectively referred to as “Amstar”, have approximately \$1.7 billion in assets under management. Amstar Advisers, LLC is an SEC-registered investment adviser with approximately \$750 million in assets under management. For more information on Amstar, go to www.amstar.com or contact Amstar Managing Director Rob Toomey at rob.toomey@amstar.com.

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including discussions regarding KBS REIT III's use of proceeds and certain other factors that may affect future earnings or financial results. Such statements involve risks and uncertainties which could cause actual results to vary materially from those expressed in or indicated by the forward-looking statements. Factors that may cause actual results to differ materially include changes in general economic conditions, changes in real estate conditions, construction delays, changes in interest rates, lease-up risks, lack of financing availability and lack of capital proceeds.

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