



Real Estate
Investment
Trust III

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**KBS REIT III Closes on \$269 Million National Office Portfolio
in Largest Transaction to Date**

***KBS REIT III's acquisition volume now exceeds \$717 million after purchase involving
premier office buildings in Dallas and Maryland***

NEWPORT BEACH, Calif. (June 19, 2013) – [KBS Real Estate Investment Trust III](#) (KBS REIT III), a Newport Beach, Calif.-based public, non-traded real estate investment trust, has closed on its largest transaction to date, a \$269 million purchase of three premier office properties in Dallas and Maryland. The National Office Portfolio transaction brings KBS REIT III's total acquisition volume to \$717.9 million.

Preston Commons and Sterling Plaza, a pair of premier office properties in Dallas, and One Washingtonian, an iconic building in the exclusive Washingtonian Center mixed-use project in Gaithersburg, Md., were purchased by KBS REIT III from affiliates of CBRE Global Investors. These acquisitions further strengthen the presence KBS and its affiliated companies have in these two key markets.

"The new National Office Portfolio represents another great addition for KBS REIT III," said KBS REIT III CEO Chuck Schreiber. "These are top-tier office assets in strong markets that have all the attributes KBS REIT III looks for in an investment."

KBS REIT III takes over a pair of LEED-certified, trophy assets in Dallas' high-end Preston Center neighborhood, a premier commercial district of Dallas. Preston Center is located along the heavily traveled North Dallas Tollway and benefits from Dallas' thriving economy that continues to expand thanks to its low unemployment, diversified industry and business-friendly environment. The center has been a premier commercial district of Dallas since it was built in the 1950s as a shopping area; however, over the years it has evolved into the most prominent retail and office markets surrounded on all sides by Dallas' most affluent residential neighborhoods. The properties currently are 86-percent occupied.

(more)

Preston Commons is a three-building, Class-A complex with 427,799 rentable square-feet. It covers 6.33 acres with 1,311 parking spaces in a subterranean three-level garage. Sterling Plaza is a one-building, Class-A structure designated LEED Silver for sustainability. It has 313,609 rentable square feet with a six-and-one-half level parking structure. Both properties were renovated in 2012.

“The Dallas purchases represent a pair of assets in the top-performing submarket of Preston Center in what we believe to be one of the best-performing overall markets in the country,” said Ken Robertson, senior VP and asset manager of KBS Capital Advisors, KBS REIT III’s external advisor. “These acquisitions in this amenity- and lifestyle-rich neighborhood fit the mold of what we’re looking for. Dallas has a great workforce in a pro-business environment and we are grateful for the opportunity to acquire such a trophy-quality portfolio from CBRE Global.”

Including Preston Commons and Sterling Plaza, KBS-affiliated companies own 13 properties in the Dallas-Fort Worth metroplex, totaling an aggregate of more than 4 million rentable square feet, including the 364,336-square-foot Tower on Lake Carolyn, 522,043-square-foot Town Center Office Park in Plano, 515,732-square-foot Providence Towers in Dallas and Millennium Tower, a 343,461-square-foot property in Addison.

“We really like Dallas’ investment opportunities,” said KBS Capital Advisors Central U.S. Regional President Rodney Richerson. “They continue to perform to our expectations and we continue to see strong tenant demand for space in this region.”

One Washingtonian is a single-building, Class-A tower built in 1990 with 321,007 rentable square-feet and the coveted LEED Platinum EB designation. It currently is 94.9-percent occupied. Located on the west side of Interstate-270 in Montgomery County, it is part of Washingtonian Center, a 212-unit mixed-use project that includes restaurants, shops, hotels and offices overlooking a lake.

One Washingtonian represents KBS REIT III’s sole current office asset in Maryland, although other KBS’ affiliated companies own four office assets totaling 1.5 million square-feet in Northern Va., in addition to a pair of multifamily assets in Maryland.

“We pursued One Washingtonian when offered for sale in 2011, given the 24/7 in-place amenities that draw tenants,” said KBS Capital Advisors Senior VP Steve Evans. “We are very pleased that KBS REIT III is the owner now that the investment profile is more stable. “

Russell Ingram led the portfolio sale for CBRE Institutional Group, with local assistance in Dallas by Gary Carr and in Maryland by Bill Kaye and Ryan Clutter.

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 of approximately \$26 billion via 14 separate accounts, six commingled funds, five sovereign wealth funds and five non-traded REITs. For information, visit www.kbscapital.com.

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Preston Commons, Sterling Plaza and One Washingtonian properties and the performance of the real estate markets where those properties are located. These statements are subject to known and unknown risks, uncertainties and other factors which may cause KBS REIT III's or the properties' actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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