

APARTMENT INVESTMENT & MANAGEMENT CO

Form 424B3

August 31, 2010

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(3)
Registration File No. 333-150341-01**

PROSPECTUS SUPPLEMENT
(To Prospectus dated April 18, 2008)

SUBJECT TO COMPLETION DATED AUGUST 31, 2010

**Shares
7.75% Class U Cumulative Preferred Stock**

We are offering and selling _____ shares of our 7.75% Class U Cumulative Preferred Stock. As of August 30, 2010, there were 8,000,000 shares of our Class U Cumulative Preferred Stock outstanding.

Dividends on the Class U Cumulative Preferred Stock are payable quarterly on January 15, April 15, July 15 and October 15 of each year to the holders of record at the close of business on the preceding January 1, April 1, July 1 and October 1. We pay cumulative dividends on the Class U Preferred Stock in an amount per share equal to \$1.9375 per year, or \$0.484375 per quarter, equivalent to 7.75% of the \$25 liquidation preference. The first dividend on the Class U Cumulative Preferred stock sold in this offering will be paid on October 15, 2010 and will be for a full quarter in the amount of \$0.484375 per share.

The liquidation preference of each share of Class U Cumulative Preferred Stock is \$25.00.

We have the option to redeem all or a portion of the Class U Cumulative Preferred Stock at any time in whole, or from time to time in part, for cash at \$25.00 per share, plus accumulated, accrued and unpaid dividends.

Holders of shares of Class U Cumulative Preferred Stock will generally have no voting rights, except for limited voting rights if we fail to pay dividends for six or more quarterly periods (whether or not consecutive) and as otherwise required by applicable law.

The Class U Cumulative Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption provisions except in certain circumstances to preserve our qualification as a real estate investment trust for federal income tax purposes.

The shares of Class U Cumulative Preferred Stock are subject to certain restrictions on ownership and transfer designed to preserve our qualification as a real estate investment trust for federal income tax purposes. See Description of Class U Cumulative Preferred Stock Restrictions on Ownership and Transfer.

The outstanding shares of Class U Cumulative Preferred Stock are listed on the New York Stock Exchange under the symbol AIVPrU. We will apply to list the shares of Class U Cumulative Preferred Stock offered hereby on the New York Stock Exchange under the same symbol. On August 27, 2010, the closing sale price of the Class U Cumulative Preferred Stock on the New York Stock Exchange was \$24.97.

You are urged to carefully read the Risk Factors section beginning on page S-9, where specific risks associated with the Class U Cumulative Preferred Stock are described, along with the other information in this prospectus supplement, before you make your investment decision.

PRICE \$ PER SHARE

	Per Share	Total
Initial price to public ⁽¹⁾	\$	\$
Underwriting discount and commissions	\$	\$
Proceeds, before expenses, to us	\$	\$

⁽¹⁾Including accrued dividends.

We have granted the underwriters an option to purchase _____ additional shares of Class U Cumulative Preferred Stock to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect that the Class U Cumulative Preferred Stock will be ready for delivery in book-entry form only through The Depository Trust Company on or about September , 2010.

Joint Book-Running Managers

Morgan Stanley

Wells Fargo Securities

Raymond James

The date of this prospectus supplement is _____, 2010

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Prospectus

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You should rely only on the information included in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission (the "SEC"). Neither we nor any underwriter has authorized any other person to provide you with different or additional information. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate. Neither we nor any underwriter is making an offer to

sell or soliciting an offer to buy the Class U Cumulative Preferred Stock in any jurisdiction where the offer or sale or solicitation is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates or such other date as may be specified herein or therein. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering.

To the extent the information included in this prospectus supplement differs or varies from the information included in the accompanying prospectus or documents incorporated by reference, the information in this prospectus supplement will supersede such information.

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SUMMARY

This prospectus supplement does not include all of the information that is important to you. You should read the accompanying prospectus as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Except as the context otherwise requires, we, our, us and the Company refer to Apartment Investment and Management Company, AIMCO Properties, L.P. and their consolidated entities, collectively. Unless otherwise indicated, the information in this prospectus supplement assumes that the underwriters will not exercise their option to purchase shares to cover over-allotments, if any.

The Company

Apartment Investment and Management Company, or Aimco, is a Maryland corporation incorporated on January 10, 1994. We are a self-administered and self-managed real estate investment trust, or REIT, focused on the ownership and management of quality apartment communities located in the 20 largest markets in the United States (as measured by total market capitalization, which is the total market value of institutional-grade apartment properties in a particular market). We upgrade the quality of our portfolio through the sale of communities with rents below average market rents and the reinvestment of capital within these 20 target markets through redevelopment and acquisitions. Our apartment properties are generally financed with property-level, non-recourse, long-dated, fixed-rate, amortizing debt.

As of June 30, 2010, we:

owned an equity interest in 232 conventional real estate properties with 71,909 units;

owned an equity interest in 254 affordable real estate properties with 29,540 units; and

provided services for or managed 27,901 units in 331 properties, primarily pursuant to long-term asset management agreements. In certain cases, we may indirectly own generally less than one percent of the operations of such properties through a syndication or other fund.

Of these properties, we consolidated 230 conventional properties with 70,605 units and 197 affordable properties with 23,901 units. These conventional and affordable properties generated 84% and 16%, respectively, of consolidated property net operating income during the six months ended June 30, 2010, or 87% and 13%, respectively, after adjustments for our ownership in these properties.

Through our wholly-owned subsidiaries, AIMCO-GP, Inc. and AIMCO-LP Trust, we own a majority of the ownership interests in AIMCO Properties, L.P., which we refer to as the Aimco Operating Partnership. As of June 30, 2010, we held an interest of approximately 93% in the common partnership units and equivalents of the Aimco Operating Partnership. We conduct substantially all of our business and own substantially all of our assets through the Aimco Operating Partnership. Interests in the Aimco Operating Partnership that are held by limited partners other than Aimco are referred to as OP Units. OP Units include common OP Units, partnership preferred units, or preferred OP Units, and high performance partnership units, or High Performance Units. The Aimco Operating Partnership's income is allocated to holders of common OP Units and equivalents based on the weighted average number of common OP Units and equivalents outstanding during the period. The holders of the common OP Units and Class I High Performance Units receive distributions, prorated from the date of issuance, in an amount equivalent to the dividends paid to holders of Aimco Class A common stock. Holders of common OP Units may redeem such units for cash or, at the Aimco Operating Partnership's option, Class A common stock. Preferred OP Units entitle the holders thereof to a preference with respect to distributions or upon liquidation. As of June 30, 2010, after elimination of

shares held by consolidated subsidiaries, 117,039,659 shares of our Class A common stock were outstanding and the Aimco Operating Partnership had 8,330,534 common OP Units and equivalents outstanding for a combined total of 125,370,193 shares of Class A common stock and OP Units outstanding (excluding preferred OP Units).

Our principal executive offices are located at 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237 and our telephone number is (303) 757-8101.

Recent Developments

For our conventional same store portfolio, our change in rental rate for renewals was approximately 2% for July 2010, compared to 2% for June 2010, continuing a positive trend since February 2010. Our change in rental rate for new leases was approximately -2% for July 2010, compared to -2% for June 2010, which is unfavorable compared to rental rates on expiring leases, but the rate of decline has eased from earlier in 2010. Our average daily occupancy rate was approximately 95% and 96% for July and August 2010, respectively, compared to 95% for June 2010, providing support for rental rates.

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The Offering

Issuer	Apartment Investment and Management Company
Securities Offered	shares of Class U Cumulative Preferred Stock (Class U Preferred Stock) (shares if the underwriters option to purchase an additional shares on or prior to September 23, 2010 is exercised in full).
Class U Preferred Stock Outstanding After this Offering	As of August 30, 2010, there were 8,000,000 shares of Class U Preferred Stock outstanding, and following this offering, we will have shares of Class U Preferred Stock outstanding.
Dividends	Dividends on the Class U Cumulative Preferred Stock are payable quarterly on January 15, April 15, July 15 and October 15 of each year to the holders of record at the close of business on the preceding January 1, April 1, July 1 and October 1. We pay cumulative dividends on the Class U Preferred Stock in an amount per share equal to \$1.9375 per year, or \$0.484375 per quarter, equivalent to 7.75% of the \$25 liquidation preference. The first dividend on the Class U Cumulative Preferred stock sold in this offering will be paid on October 15, 2010 and will be for a full quarter in the amount of \$0.484375 per share.
Liquidation Preference	\$25 per share of Class U Preferred Stock, plus an amount equal to accumulated, accrued and unpaid dividends, whether or not earned or declared.
Optional Redemption	We may, at our option, redeem the Class U Preferred Stock for cash, at any time in whole, or from time to time in part, at a price per share equal to the liquidation preference, plus accumulated, accrued and unpaid dividends, if any, to the redemption date. The redemption price for the Class U Preferred Stock, other than any portion thereof consisting of accumulated, accrued and unpaid dividends, will be payable solely with the proceeds from the sale of equity securities by us or our subsidiaries.
Ranking	The Class U Preferred Stock will rank prior to our common stock, and on the same level as our other outstanding shares of preferred stock, with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up.
Voting Rights	Holder of Class U Preferred Stock generally do not have any voting rights. If, however, we have not paid dividends on the Class U Preferred Stock for six or more quarterly periods, whether or not consecutive, holders of Class U Preferred Stock, together with holders of other classes of preferred stock, will be entitled to elect two additional directors to our Board of Directors until all unpaid dividends on the Class U Preferred Stock have been paid or declared and set apart for payment. In addition, certain material adverse changes to the terms of the stock cannot be made without the affirmative vote of holders of at least 662/3% of the outstanding shares of Class U Preferred Stock. Any vote with respect to the Class U Preferred Stock, including for the election of

additional directors, will be together with the holders of shares of any class or series of stock ranking on a parity with the Class U Preferred Stock that are entitled to similar voting rights, voting as a single class.

Ownership Limit

Subject to limited exceptions, no person may acquire more than 8.7% of the aggregate value of all outstanding shares of our common and preferred stock or own more than 8.7% of our outstanding common stock.

Listing

The outstanding shares of Class U Preferred Stock are listed on the New York Stock Exchange (the NYSE) under the symbol AIVPrU. We will apply to list the shares of Class U Preferred Stock offered hereby on the NYSE under the same symbol.

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Form	The Class U Preferred Stock will be issued and maintained in book-entry form registered in the name of the nominee of The Depository Trust Company except under limited circumstances.
Use of Proceeds	We intend to contribute the net proceeds from this offering to the Aimco Operating Partnership in exchange for a preferred interest in the Aimco Operating Partnership. The Aimco Operating Partnership intends to use the amount received from us to redeem other preferred securities and for general corporate purposes as described under Use of Proceeds.

For additional information regarding the terms of the Class U Preferred Stock, see Description of Class U Cumulative Preferred Stock .

Your investment in the Class U Preferred Stock involves certain risks. For a discussion of some of these risks, please see Risk Factors and the other information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether an investment in the Class U Preferred Stock is suitable for you.

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Summary Historical Financial Data