

CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES 3  
 Form 4  
 January 17, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 APARTMENT INVESTMENT & MANAGEMENT CO

(Last) (First) (Middle)

4582 SOUTH ULSTER STREET  
 PARKWAY, SUITE 1100

(Street)

DENVER, CO 80237

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES 3  
 [NONE]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 11/28/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |   |
| Limited Partnership Units       | 11/28/2006                           |  | L                              | 16 <sup>(1)</sup> A \$ 48.27                                      | 237,934.3 <sup>(2)</sup>  | I  | See Footnote Below <sup>(3)</sup>                     |
| Limited Partnership Units       | 11/28/2006                           |  | L                              | 16 <sup>(1)</sup> A \$ 48.27                                      | 237,950.3 <sup>(4)</sup>  | I  | See Footnote Below <sup>(3)</sup>                     |
| Limited Partnership Units       | 01/12/2007                           |  | P                              | 229 <sup>(1)</sup> A \$ 66.22                                     | 238,179.3 <sup>(5)</sup>  | I  | See Footnote Below <sup>(3)</sup>                     |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares   |

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

APARTMENT INVESTMENT & MANAGEMENT CO  
4582 SOUTH ULSTER STREET PARKWAY  
SUITE 1100  
DENVER, CO 80237

X

## Signatures

/s/ Derek S. McCandless, Vice President and Assistant Secretary, Apartment Investment and Management Company

01/17/2007

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These Limited Partnership Units ("Units") were directly purchased by AIMCO Properties, L.P. ("AIMCO Properties").
- (2) Consists of 118,279.90 Units held by AIMCO Properties; 44,867.70 Units held by AIMCO IPLP, L.P. ("IPLP"); 28,039.30 Units held by Cooper River Properties, L.L.C. ("Cooper"); and 46,747.40 Units held by Madison River Properties, L.L.C. ("Madison").
- (3) AIMCO Properties is a joint filer with AIMCO-GP, Inc. ("AIMCO-GP") and Apartment Investment and Management Company ("AIMCO") for purposes of Section 13(d) reporting of the Exchange Act. AIMCO-GP is the sole general partner of AIMCO Properties and a wholly-owned subsidiary of AIMCO. IPLP is a joint filer with AIMCO/IPT, Inc. ("AIMCO/IPT") and AIMCO for purposes of Section 13(d) reporting of the Exchange Act. AIMCO/IPT is the sole general partner of IPLP and a wholly-owned subsidiary of AIMCO. Fox is a joint filer with AIMCO/IPT and AIMCO for purposes of Section 13(d) reporting of the Exchange Act. Cooper is a joint filer with

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AIMCO, AIMCO/IPT and IPLP for purposes of Section 13(d) reporting of the Exchange Act. Madison is a joint filer with AIMCO, AIMCO/IPT and IPLP for purposes of Section 13(d) reporting of the Exchange Act. Both Cooper and Madison are wholly-owned subsidiaries of IPLP, whose sole general partner is AIMCO/IPT, a wholly-owned subsidiary of AIMCO.

- (4) Consists of 118,295.90 Units held by AIMCO Properties; 44,867.70 Units held by AIMCO IPLP, L.P. ("IPLP"); 28,039.30 Units held by Cooper River Properties, L.L.C. ("Cooper"); and 46,747.40 Units held by Madison River Properties, L.L.C. ("Madison").
- (5) Consists of 118,524.90 Units held by AIMCO Properties; 44,867.70 Units held by AIMCO IPLP, L.P. ("IPLP"); 28,039.30 Units held by Cooper River Properties, L.L.C. ("Cooper"); and 46,747.40 Units held by Madison River Properties, L.L.C. ("Madison").

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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