

Kitchen Jennifer
Form 4
May 08, 2012

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 *
Kitchen Jennifer

(Last) (First) (Middle)

C/O COSTAR GROUP, INC., 1331
L STREET, NW

(Street)

WASHINGTON, DC 20005

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
COSTAR GROUP INC [CSGP]

3. Date of Earliest Transaction
(Month/Day/Year)
05/04/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

Sr. Vice President, Research

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 or Price		
Common Stock, par value \$0.01 per share	05/04/2012		M		3,533 A \$ 51.92	30,213 ⁽¹⁾	D
Common Stock, par value \$0.01 per share	05/04/2012		M		5,300 A \$ 43.99	35,513 ⁽²⁾	D
Common Stock, par value \$0.01 per share	05/04/2012		M		8,800 A \$ 25	44,313 ⁽³⁾	D

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Common
 Stock, par
 value \$0.01
 per share

05/04/2012

S 17,633 D 70.42 26,680 ⁽⁵⁾ D

(4)

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. Amount or Number of Shares
Option to Acquire Common Stock	\$ 51.92	05/04/2012		M	3,533	⁽⁶⁾ 12/11/2016	Common Stock	3,533
Option to Acquire Common Stock	\$ 43.99	05/04/2012		M	5,300	⁽⁷⁾ 02/26/2018	Common Stock	5,300
Option to Acquire Common Stock	\$ 25	05/04/2012		M	8,800	⁽⁸⁾ 03/01/2019	Common Stock	8,800

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kitchen Jennifer C/O COSTAR GROUP, INC. 1331 L STREET, NW WASHINGTON, DC 20005			Sr. Vice President, Research	

Signatures

/s/ Jonathan Coleman,
Attorney-in-Fact

05/08/2012

__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) Represents all shares of Common Stock owned, consisting of 10,479 shares of Common Stock and 19,734 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Represents all shares of Common Stock owned, consisting of 15,779 shares of Common Stock and 19,734 shares of Common Stock subject to unvested Restricted Stock Grants.
- (3) Represents all shares of Common Stock owned, consisting of 24,579 shares of Common Stock and 19,734 shares of Common Stock subject to unvested Restricted Stock Grants.
- (4) Average based on sales prices ranging from \$70.31 to \$70.50.
- (5) Represents all shares of Common Stock owned, consisting of 6,946 shares of Common Stock and 19,734 shares of Common Stock subject to unvested Restricted Stock Grants.
- (6) The option vested in three equal installments on December 12, 2007, December 12, 2008 and December 12, 2009.
- (7) The option vested in three equal installments on February 27, 2009, February 27, 2010 and February 27, 2011.
- (8) The option vested in three equal installments on March 2, 2010, March 2, 2011 and March 2, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.