

Kitchen Jennifer
Form 4
March 13, 2013

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)
03/11/2013

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 Ownership (Instr. 4) | | |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----------------------|---|
| | | | Code | V | Amount or Price | | | | |
| Common Stock, par value \$0.01 per share | 03/11/2013 | | A | | 3,000 | A | \$ 0 | 27,872 ⁽¹⁾ | D |
| Common Stock, par value \$0.01 per share | 03/12/2013 | | F | | 402 | D | \$ 101.06 | 27,470 ⁽²⁾ | D |
| Common Stock, par | 03/13/2013 | | M | | 7,700 | A | \$ 42.29 | 35,170 ⁽³⁾ | D |

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value
\$0.01 per
share

Common
Stock, par
value
\$0.01 per
share

03/13/2013 M 3,933 A \$ 57.16 39,103 ⁽⁴⁾ D

Common
Stock, par
value
\$0.01 per
share

03/13/2013 M 1,933 A \$ 58.95 41,036 ⁽⁵⁾ D

Common
Stock, par
value
\$0.01 per
share

03/13/2013 S 16,066 D \$
(6) 100.01 24,970 ⁽⁷⁾ D

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Option to Acquire Common Stock | \$ 102.16 | 03/11/2013 | | A | 5,100 | ⁽⁸⁾ 03/10/2023 | Common Stock 5,100 |
| Option to Acquire Common Stock | \$ 42.29 | 03/13/2013 | | M | 7,700 | ⁽⁹⁾ 03/11/2020 | Common Stock 7,700 |
| | \$ 57.16 | 03/13/2013 | | M | 3,933 | ⁽¹⁰⁾ 03/03/2021 | 3,933 |

| | | | | | | | | | |
|--------------------------------|----------|------------|--|---|-------|-------------|------------|--------------|-------|
| Option to Acquire Common Stock | | | | | | | | Common Stock | |
| Option to Acquire Common Stock | \$ 58.95 | 03/13/2013 | | M | 1,933 | <u>(11)</u> | 02/20/2022 | Common Stock | 1,933 |

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
03/13/2013
Date

Signature of Reporting Person

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 7,337 shares of Common Stock and 20,535 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Represents all shares of Common Stock owned, consisting of 8,102 shares of Common Stock and 19,368 shares of Common Stock subject to unvested Restricted Stock Grants.
- (3) Represents all shares of Common Stock owned, consisting of 15,802 shares of Common Stock and 19,368 shares of Common Stock subject to unvested Restricted Stock Grants.
- (4) Represents all shares of Common Stock owned, consisting of 19,735 shares of Common Stock and 19,368 shares of Common Stock subject to unvested Restricted Stock Grants.
- (5) Represents all shares of Common Stock owned, consisting of 21,668 shares of Common Stock and 19,368 shares of Common Stock subject to unvested Restricted Stock Grants.
- (6) Average based on sales prices ranging from \$99.95 to \$100.52.
- (7) Represents all shares of Common Stock owned, consisting of 5,602 shares of Common Stock and 19,368 shares of Common Stock subject to unvested Restricted Stock Grants.
- (8) The option vests in three equal installments on March 11, 2014, March 11, 2015, and March 11, 2016.
- (9) The option vested in three equal installments on March 12, 2011, March 12, 2012, and March 12, 2013.
- (10) The option vests in three equal installments on March 4, 2012, March 4, 2013, and March 4, 2014.
- (11) The option vests in three equal installments on February 21, 2013, February 21, 2014, and February 21, 2015.

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.