

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 <sup>(1)</sup>	D
Common Stock, par value \$0.01 per share	03/12/2013		F		402	D	\$ 101.06	27,470 <sup>(2)</sup>	D
Common Stock, par	03/13/2013		M		7,700	A	\$ 42.29	35,170 <sup>(3)</sup>	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 <sup>(4)</sup> D

Common  
Stock, par  
value  
\$0.01 per  
share

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

Common  
Stock, par  
value  
\$0.01 per  
share

03/13/2013 S 16,066 D \$  
(6) 100.01 24,970 <sup>(7)</sup> 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	<sup>(8)</sup> 03/10/2023	Common Stock 5,100
Option to Acquire Common Stock	\$ 42.29	03/13/2013		M	7,700	<sup>(9)</sup> 03/11/2020	Common Stock 7,700
	\$ 57.16	03/13/2013		M	3,933	<sup>(10)</sup> 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	(11)	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.