

Kitchen Jennifer
Form 4
May 04, 2011

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O COSTAR GROUP, INC., 1331 L STREET, NW

3. Date of Earliest Transaction (Month/Day/Year)
05/02/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. Vice President, Research

(Street)
WASHINGTON, DC 20005

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

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

(City) (State) (Zip)

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	05/02/2011		M		1,000 A \$ 30.06	11,872 ⁽¹⁾	D
Common Stock, par value \$0.01 per share	05/02/2011		M		10,000 A \$ 44.86	21,872 ⁽²⁾	D
Common Stock, par value \$0.01 per share	05/02/2011		M		1,767 A \$ 51.92	23,639 ⁽³⁾	D

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Common Stock, par value \$0.01 per share	05/02/2011	S	3,500	D	\$ 68.5	20,139 ⁽⁴⁾	D
Common Stock, par value \$0.01 per share	05/02/2011	S	9,267	D	\$ 68.45	10,872 ⁽⁵⁾	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	\$ 30.06	05/02/2011		M	1,000	⁽⁶⁾ 09/03/2013	Common Stock 1,000
Option to Acquire Common Stock	\$ 44.86	05/02/2011		M	10,000	⁽⁷⁾ 09/08/2014	Common Stock 10,000
Option to Acquire Common Stock	\$ 51.92	05/02/2011		M	1,767	⁽⁸⁾ 12/11/2016	Common Stock 1,767

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
			Sr. Vice President, Research	

Kitchen Jennifer
C/O COSTAR GROUP, INC.
1331 L STREET, NW
WASHINGTON, DC 20005

Signatures

/s/ Jonathan Coleman,
Attorney-in-Fact

05/03/2011

__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 5,838 shares of Common Stock and 6,034 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Represents all shares of Common Stock owned, consisting of 15,838 shares of Common Stock and 6,034 shares of Common Stock subject to unvested Restricted Stock Grants.
- (3) Represents all shares of Common Stock owned, consisting of 17,605 shares of Common Stock and 6,034 shares of Common Stock subject to unvested Restricted Stock Grants.
- (4) Represents all shares of Common Stock owned, consisting of 14,105 shares of Common Stock and 6,034 shares of Common Stock subject to unvested Restricted Stock Grants.
- (5) Represents all shares of Common Stock owned, consisting of 4,838 shares of Common Stock and 6,034 shares of Common Stock subject to unvested Restricted Stock Grants.
- (6) The option vested in four equal installments on September 4, 2004, September 4, 2005, September 4, 2006 and September 4, 2007.
- (7) The option vested in four equal installments on September 9, 2005, September 9, 2006, September 9, 2007 and September 9, 2008.
- (8) The option vested in three equal installments on December 12, 2007, December 12, 2008 and December 12, 2009.

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.