

COSTAR GROUP INC
Form 4
October 31, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
FLORANCE ANDREW C

(Last) (First) (Middle)

C/O COSTAR GROUP, INC., 2
BETHESDA METRO CENTER,
10TH FLOOR

(Street)

BETHESDA, MD 20814-5388

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
10/29/2007

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)
President and CEO

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)
Common Stock, par value \$0.01 per share	10/29/2007		M	3,552 A	\$ 28.15 219,714 ⁽¹⁾	D	
Common Stock, par value \$0.01 per share	10/29/2007		M	124,553 A	\$ 30 344,267 ⁽²⁾	D	
	10/29/2007		S	121,230 D	223,037 ⁽⁴⁾	D	

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Common Stock, par value \$0.01 per share						\$ 57.4			
						(3)			
Common Stock, par value \$0.01 per share	10/30/2007		S	29,983	D	\$ 56.28	193,054 (6)	D	
						(5)			

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

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SEC 1474
(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 of Number of Shares
Option to Acquire Common Stock	\$ 28.15	10/29/2007		M	3,552	(7) 09/22/2013	Common Stock 3,552
Option to Acquire Common Stock	\$ 30	10/29/2007		M	124,553	(8) 03/31/2009	Common Stock 124,553

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FLORANCE ANDREW C C/O COSTAR GROUP, INC. 2 BETHESDA METRO CENTER, 10TH FLOOR BETHESDA, MD 20814-5388	X		President and CEO	

Signatures

/s/ Jonathan Coleman,
Attorney-in-Fact

10/31/2007

__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) Represents all shares of Common Stock owned, consisting of 150,685 shares of Common Stock and 69,029 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Represents all shares of Common Stock owned, consisting of 275,238 shares of Common Stock and 69,029 shares of Common Stock subject to unvested Restricted Stock Grants.
- (3) Average based on sale prices ranging from \$57.00 to \$58.50.
- (4) Represents all shares of Common Stock owned, consisting of 154,008 shares of Common Stock and 69,029 shares of Common Stock subject to unvested Restricted Stock Grants.
- (5) Average based on sale prices ranging from \$56.00 to 56.74.
- (6) Represents all shares of Common Stock owned, consisting of 124,025 shares of Common Stock and 69,029 shares of Common Stock subject to unvested Restricted Stock Grants.
- (7) These option shares were fully vested as of September 23, 2007.
- (8) These option shares were fully vested as of April 1, 2001.

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.