

Radecki Brian J
Form 4
May 24, 2012

FORM 4

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

OMB APPROVAL

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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 *
Radecki Brian J

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)
05/22/2012

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

(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	(A) or (D)	Price		
Common Stock, par value \$0.01 per share	05/22/2012		M		19,500	A	\$ 25	90,961 ⁽¹⁾	D
Common Stock, par value \$0.01 per share	05/22/2012		S		19,500	D	\$ 71 ⁽²⁾	71,461 ⁽³⁾	D
Common Stock, par value \$0.01 per share	05/22/2012		S		1,253	D	\$ 71.5	70,208 ⁽⁴⁾	D

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- (1) Represents all shares of Common Stock owned, consisting of 40,493 shares of Common Stock and 50,468 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Average based on sales prices ranging from \$71.00 to \$71.08.
- (3) Represents all shares of Common Stock owned, consisting of 20,993 shares of Common Stock and 50,468 shares of Common Stock subject to unvested Restricted Stock Grants.
- (4) Represents all shares of Common Stock owned, consisting of 19,740 shares of Common Stock and 50,468 shares of Common Stock subject to unvested Restricted Stock Grants.
- (5) Represents all shares of Common Stock owned, consisting of 15,231 shares of Common Stock and 50,468 shares of Common Stock subject to unvested Restricted Stock Grants.
- (6) 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.

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