

COSTAR GROUP INC

Form 4

July 31, 2007

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
CARCHEDI FRANCIS

(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)
07/30/2007

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify
below) Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 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	07/30/2007		M	20,000	A \$ 30 58,477 ⁽¹⁾	D	
Common Stock, par value \$0.01 per share	07/30/2007		S	20,000	D \$ 51.44 38,477 ⁽³⁾	D	

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)	8. Amount or Number of Shares
Option to acquire Common Stock	\$ 30	07/30/2007		M	20,000	<u>(4)</u> 03/31/2009	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

CARCHEDI FRANCIS
C/O COSTAR GROUP, INC.
2 BETHESDA METRO CENTER, 10TH FLOOR
BETHESDA, MD 20814-5388

Officer

Signatures

/s/ Jonathan Coleman,
Attorney-in-Fact

07/31/2007

__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 36,022 shares of Common Stock and 22,455 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Average based on sales prices ranging from \$50.76 to \$52.42.
- (3) Represents all shares of Common Stock owned, consisting of 16,022 shares of Common Stock and 22,455 shares of Common Stock subject to unvested Restricted Stock Grants.
- (4) The option vested in three equal installments on April 1, 1999, April 1, 2000 and 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.

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