

COSTAR GROUP INC  
Form SC 13G/A  
February 14, 2008

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934  
(Amendment No.2)\*

CoStar Group, Inc.

-----  
(Name of Issuer)

Common

-----  
(Title of Class of Securities)

22160N109

-----  
(CUSIP Number)

Check the following box if a fee is being paid with this statement [ ].  
(A fee is not required only if the filing person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.)  
(See Rule 13d-7.)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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Schedule 13G Amendment No. 2 (continued)

CUSIP No. 22160N109

-----  
1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Baron Capital Group, Inc.

-----  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

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(a) [ ]  
(b) [ ]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 1,731,000
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 1,855,500

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,855,500

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

9.6%

12 TYPE OF REPORTING PERSON\*

HC, CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT

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Schedule 13G Amendment No. 2 (continued)

CUSIP No. 22160N109

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
BAMCO, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) [ ]  
(b) [ ]

3 SEC USE ONLY

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4 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 1,624,000
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 1,744,000

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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,744,000

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

9.0%

12 TYPE OF REPORTING PERSON\*

IA, CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT

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Schedule 13G Amendment No. 2 (continued)

CUSIP No. 22160N109

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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Baron Capital Management, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) [ ]  
(b) [ ]

3 SEC USE ONLY

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4 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

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NUMBER OF SHARES BENEFICIALLY	5	SOLE VOTING POWER 0
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OWNED BY EACH REPORTING PERSON WITH 6 SHARED VOTING POWER 107,000

7 SOLE DISPOSITIVE POWER 0

8 SHARED DISPOSITIVE POWER 111,500

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 111,500

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 0.6%

12 TYPE OF REPORTING PERSON\* IA, CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT

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Schedule 13G Amendment No. 2 (continued)

CUSIP No. 22160N109

1 NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Ronald Baron

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) [ ]  
(b) [ ]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 5 SOLE VOTING POWER 0

6 SHARED VOTING POWER 1,731,000

7 SOLE DISPOSITIVE POWER 0

8 SHARED DISPOSITIVE POWER

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1,855,500

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,855,500

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

9.6%

12 TYPE OF REPORTING PERSON\*

HC, IN

\*SEE INSTRUCTIONS BEFORE FILLING OUT

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Item 1.

- (a) Name of Issuer:  
CoStar Group, Inc.
- (b) Address of Issuer's Principal Executive Offices:  
2 Bethesda Metro Center  
10th Floor  
Bethesda, Maryland 20814

Item 2.

- (a) Name of Persons Filing:  
Baron Capital Group, Inc. ("BCG")  
BAMCO, Inc. ("BAMCO")  
Baron Capital Management, Inc. ("BCM")  
Ronald Baron
- (b) Address of Principal Business Office:  
767 Fifth Avenue  
New York, NY 10153
- (c) Citizenship:  
BCG, BAMCO and BCM are New York corporations. Ronald Baron is  
a citizen of the United States.
- (d) Title of Class Securities:  
Common
- (e) CUSIP Number:  
22160N109

Item 3. PERSONS FILING:

BCG and Ronald Baron are:

- (g) Parent holding companies, in accordance with  
Section 240.13d-1(b)(ii)(G)

BAMCO and BCM are:

- (e) Investment Advisers registered under Section 203 of  
the Investment Advisers Act of 1940

All persons filing are:

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(j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J)

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Item 4. OWNERSHIP^

(a) Amount Beneficially Owned as of December 31, 2007:

BCG:	1,855,500 shares
BAMCO:	1,744,000 shares
BCM:	111,500 shares
Ronald Baron:	1,855,500 shares

(b) Percent of Class#:

BCG:	9.6%
BAMCO:	9.0%
BCM:	0.6%
Ronald Baron	9.6%

^BCG and Ronald Baron disclaim beneficial ownership of shares held by their controlled entities (or the investment advisory clients thereof) to the extent such shares are held by persons other than BCG and Ronald Baron. BAMCO and BCM disclaim beneficial ownership of shares held by their investment advisory clients to the extent such shares are held by persons other than BAMCO, BCM and their affiliates.

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(c) Number of shares as to which such person has:

(i) sole power to vote or direct the vote:

BCG:	0
BAMCO:	0
BCM:	0
Ronald Baron:	0

(ii) shared power to vote or direct the vote:

BCG:	1,731,000
BAMCO:	1,624,000
BCM:	107,000
Ronald Baron:	1,731,000

(iii) sole power to dispose or to direct the disposition of:\*

BCG:	0
BAMCO:	0
BCM:	0
Ronald Baron:	0

(iv) shared power to dispose or direct the disposition of:\*

BCG:	1,855,500
BAMCO:	1,744,000
BCM:	111,500
Ronald Baron:	1,855,500

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Item 5. OWNERSHIP OF 5% OR LESS OF A CLASS  
Not applicable.

Item 6. OWNERSHIP OF MORE THAN 5% ON BEHALF OF ANOTHER PERSON  
The advisory clients of BAMCO and BCM have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Issuer's common stock in their accounts. To the best of the Filing Persons' knowledge, no such person has such interest relating to more than 5% of the outstanding class of securities.

Item 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY

BAMCO and BCM are subsidiaries of BCG. Ronald Baron owns a controlling interest in BCG.

Item 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

See Item 3.

\* By virtue of investment advisory agreements with their respective clients, BAMCO and BCM have been given the discretion to dispose or the disposition of the securities in the advisory accounts. All such discretionary agreements, are however, revocable.

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Item 9. NOTICE OF DISSOLUTION OF GROUP

Not applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 14, 2008

Baron Capital Group, Inc.,  
BAMCO, Inc., and  
Baron Capital Management, Inc.  
By:

/s/ Ronald Baron

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Ronald Baron, Chairman and CEO

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Ronald Baron, Individually

By:

/s/ Ronald Baron

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Ronald Baron

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Joint Filing Agreement

The undersigned each hereby agree that the Schedule 13G Amendment No. 2 dated February 14, 2008, which relates to the common stock of CoStar Group, Inc. to be filed jointly on behalf of each of them for the reasons stated therein, and any amendments thereto shall be filed jointly by the undersigned.

Dated: February 14, 2008

Baron Capital Group, Inc.,  
BAMCO, Inc., and  
Baron Capital Management, Inc.  
By:

/s/ Ronald Baron

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Ronald Baron, Chairman and CEO

Ronald Baron, Individually  
By:

/s/ Ronald Baron

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Ronald Baron