

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

February 10, 2000
Date of Report (Date of earliest event reported)

Commission File Number 000-24531

COSTAR GROUP, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

52-2091509
(IRS Employer Identification Number)

7475 Wisconsin Ave., Suite 600
Bethesda, Maryland 20814
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (301) 215-8300

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On February 10, 2000, CoStar Group, Inc. ("CoStar") completed the acquisition of COMPS.COM, Inc. ("COMPS") under a merger agreement, dated as of November 3, 1999, among Costar, COMPS and Acq Sub, Inc. ("Acq Sub"), a wholly-owned subsidiary of CoStar. COMPS' primary asset is a database of commercial real estate sales information. In connection with the transaction, COMPS was merged with and into Acq Sub, which was the surviving corporation in the merger. Immediately after the merger, Acq Sub changed its name to Comps, Inc. The merger agreement provided for each share of COMPS common stock to receive either \$7.50 in cash or 0.31496 shares of CoStar common stock, subject to adjustment to ensure that 50.1% of the COMPS shares received Costar common stock and 49.9% of the COMPS shares received cash. The aggregate consideration included:

- \$49,015,905 in cash paid to former holders of COMPS common stock (excluding cash paid for fractional shares); and
- 2,258,738 shares of CoStar common stock (including shares issued to former warrant holders of COMPS).

The cash portion of the purchase price was obtained by CoStar from the proceeds from the sale of its common stock in a public offering in May 1999.

The merger consideration was determined in arms' length negotiations between the parties to the merger agreement. Before the consummation of the merger, no material relationships existed between COMPS and its officers, directors, affiliates, associates or stockholders and CoStar and its officers, directors, affiliates, associates or stockholders.

No other information is provided herewith regarding the merger as CoStar has "previously reported" (as defined in Rule 12b-2) substantially the same information regarding the merger including the related historical and pro forma financial information, as is required by Form 8-K, in its Registration Statement on Form S-4, as amended, filed on January 5, 2000 (Registration No. 333-92579).

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements of business acquired.

No financial statements are included herewith as such financial statements have previously been reported. See Item 2 above.

- (b) Pro forma financial information

No financial statements are included herewith as such financial statements have previously been reported. See Item 2 above.

(c) Exhibits:

Exhibit No.	Description
2.1	*Definitive Agreement and Plan of Merger, by and among CoStar Group, Inc., COMPS.COM, Inc., and Acq Sub, Inc., dated as of November 3, 1999.
99.1	Press Release issued by CoStar Group, Inc. on February 11, 2000.
99.2	Press Release issued by CoStar Group, Inc. on February 15, 2000.

* Filed as part of CoStar's Current Report on Form 8-K, filed November 17, 1999, and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

COSTAR GROUP, INC.

Dated: February 24, 2000

By: /s/ Frank A. Carchedi

Frank A. Carchedi
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description	Location
2.1	Definitive Agreement and Plan of Merger, by and among CoStar Group, Inc., COMPS.COM, Inc., and Acq Sub, Inc., dated as of November 3, 1999	Incorporated by reference from Exhibit 2.1 to Form 8-K filed with the Commission on November 17, under Securities1999 located and Exchange Commission Files No. 0-24531
99.1	Press Release issued by CoStar Group, Inc. on February 11, 2000	Filed herewith
99.2	Press Release issued by CoStar Group, Inc. on February 15, 2000	Filed herewith

COSTAR GROUP COMPLETES ACQUISITION OF COMPS.COM
COMBINATION CREATES THE LARGEST SOURCE FOR COMMERCIAL REAL ESTATE INFORMATION ON
THE INTERNET

February 11, 2000

BETHESDA, MD -- CoStar Group, Inc. (CoStar) (Nasdaq: CSGP) announced it has completed the acquisition of COMPS.COM, as part of its larger strategy for the creation of CoStar Exchange(TM) -- a unified, robust, and unbiased Internet marketplace for commercial real estate. The addition of COMPS.COM's content and research capabilities creates the largest source for independent and comparable data on commercial real estate, unique to CoStar Group, continuously assembled and updated by over 700 professional researchers.

This broker-centric model will enable sellers to reach a larger and more qualified universe of buyers, and will enable buyers to more quickly and effectively find and evaluate commercial properties for sale by instantly referencing correlating Web-based information. CoStar Exchange(TM) will feature properties for sale, including correlating content on comparable sales, for-lease space availability, commercial real estate inventory and market statistics, tenant information, and an image library of building photographs, floor plans, aerials, and maps. It will also include background information on buyers, sellers, lenders, owners, principals and service providers.

"The acquisition of COMPS.COM is key to our vision of creating an unequaled, central source of comprehensive and comparable information so our customers can do what they do best -- serve their clients and close the deals," said CoStar CEO Andrew Florance. "Just as Nasdaq fueled the growth of OTC stocks by creating an environment of knowledge and trust, so will information delivered on CoStar Exchange(TM), verified by the most trusted research team in the industry, fuel the growth of commercial real estate."

The acquisition of COMPS.COM significantly increases the resources of CoStar, enlarging its database of new properties by 397,000 to more than 718,000 in 47 markets nationwide. The acquisition will also boost CoStar's database of properties for sale to 40,000 with an aggregate value exceeding \$40 billion. In addition, more than 490,000 sales transactions will be tracked and 660,000 digital images stored. Through the acquisition of COMPS, CoStar will add a significant number of properties in other major commercial property types, such as retail, multi-family, and hospitality, to the company's existing database. The combined companies, which will operate under the CoStar name, will offer a wide range of products and services to support the sale, purchase and leasing of commercial real estate. The former COMPS.COM will now operate as a wholly-owned subsidiary of CoStar Group, under the name Comps, Inc. Following the acquisition, COMPS.COM's product lines will be integrated into the CoStar family of products and become known as CoStar COMPS.

Additionally, CoStar has formed a new management team to hone COMPS.COM's product lines and streamline its resources to align with the parent company's vision. Florance will serve as President of Comps, Inc., while Craig Farrington, former COMPS.COM Senior Vice President, will serve as the subsidiary's COO.

Christopher Crane, current chairman and CEO, and CFO Karen Goodrum are leaving the company effective immediately.

"We have seen CoStar's vision for a central national marketplace on the Internet, and we are excited to be a part of it," said Farrington. "Andy is one of the most visionary and respected innovators in the commercial real estate industry. He sees CoStar Exchange(TM) as the best and most comprehensive way to serve your customers -- and we agree."

CoStar paid approximately \$50 million in cash and issued approximately 2.2 million CoStar shares to the former COMPS.COM shareholders in connection with the merger. At September 30th, 1999, COMPS.COM reported net tangible assets of \$46 million, which were principally cash, thereby effectively reducing the overall purchase price.

This news release includes certain "forward-looking statements," which involve many risks and uncertainties that could cause actual results to differ materially from such statements. If CoStar is not able to integrate the operations of COMPS on a timely and cost effective basis, then the merger may not be successful. This could occur for a number of reasons, including errors in planning, delays in implementing the integration and unexpected events in the markets in which CoStar operates. In addition, there can be no assurances that CoStar will launch CoStar Exchange or that CoStar Exchange will be successful. Important factors that could cause actual results to differ materially include, but are not limited to, those listed in CoStar Group's Registration Statement on form S-1, filed March 24, 1999, and CoStar's Registration Statement on Form S-4, filed on December 10, 1999.

SOURCE CoStar Group, Inc.

CONTACT: Meredith Leyva of Fleishman Hillard, 202-421-6214. for CoStar Group, Inc./

COSTAR ANNOUNCES EXCHANGE RATIOS FOR COMPS.COM STOCK

BETHESDA, Md., Feb. 15 /PRNewswire/ -- CoStar Group, Inc. (Nasdaq: CSGP) announced last Friday that it had completed the acquisition of COMPS.COM under a merger agreement entered into on November 3, 1999, among CoStar, COMPS and a wholly-owned subsidiary of CoStar.

Under the terms of the merger agreement, each share of COMPS common stock will be exchanged for either \$7.50 in cash or 0.31496 shares of CoStar common stock, at the election of the holder and subject to adjustment to ensure that 49.9% of the COMPS shares will be exchanged for cash and 50.1% of the COMPS shares will be exchanged for CoStar common stock.

Based on available information, CoStar estimates that COMPS stockholders that have elected 100% stock in the merger will receive approximately 54.5% CoStar common stock and approximately 45.5% cash for each share of COMPS stock. These percentages are subject to finalization by the exchange agent. COMPS stockholders that have elected 100% cash will receive all cash, and COMPS stockholders that did not make any election will receive all cash. CoStar estimates that the exchange agent will issue CoStar common stock and cash payments within approximately one week to COMPS stockholders who have properly tendered their COMPS common stock, subject to finalization of the percentages.

For more information, please contact Meredith Leyva at (202) 421-6214. This news release includes "forward-looking statements," which involve many risks and uncertainties that could cause actual results to differ materially from these statements. If CoStar is not able to integrate the operations of COMPS on a timely and cost effective basis, then the merger may be not be successful. This could occur for a number of reasons, including errors in planning, delays in implementing the integration and unexpected events in the markets in which CoStar operates. Important factors that could cause actual results to differ materially include, but are not limited to, those listed in CoStar's Registration Statement on form S-1, filed March 24, 1999, and CoStar's Registration Statement on Form S-4, filed on December 10, 1999.

SOURCE CoStar Group, Inc.

CONTACT: Meredith Leyva, 202-421-6214, for CoStar Group, Inc./