Check this box if no longer subject to Section 16. Form 4 or Form 5

obligations may continue.

See Instruction 1(b).

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

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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 * CARACI PHILIP D | | | | 2. Issuer Name and Ticker or Trading Symbol SAUL CENTERS INC [BFS] | | | | | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | | |
| 7501 Wisconsin Avenue, | 3. Date of Ear 07/01/2005 | liest Transaction (M | onth/Day/Y | Year |) | | | | | | | | |
| (Street) Bethesda, MD 20814 | | | 4. If Amendm | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | | 6. Individual or Joint/Group Filing (Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person | | | |
| (City) | (State) | (Zip) | | Table | e I - Non-D | eriv | ative Sec | curitie | s Acc | quired, 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) | Code | on | 4. Secur Acquired Disposed (Instr. 3, | d (A) o d of (E | or)) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | ` ′ | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | |
| | | | | | Code | V | Amount | | Price | | (Instr. 4) | | |
| Common Shares | | | | | | | | | | 35,895.659 | I ⁽¹⁾ | Self- Trust | |
| Common Shares | | | | | | | | | | 51,924.613 | I | Wifes- Trust | |
| Common Shares | | | | | | | | | | 2,737.703 | I | Wifes IRA | |
| Common Shares | | | | | | | | | | 46,787.966 | D ⁽²⁾ | | |
| Reminder: Report on a separat | te line for each class o | of securities ber | neficially owned dire | ectly or indirectly. | | no | t require | ed to | resp | collection of information contained in this | s SEC | 1474 (9-02) | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

| (e.g., puts, cans, warrants, options, convertible securities) | | | | | | | | | | | |
|---|-------------|------------------|--------------------|-------------|---------------|-------------------------|------------------------|-------------|--------------|-------------|-------------|
| 1. Title of Derivative | 2. | 3. Transaction | 3A. Deemed | 4. | 5. Number of | 6. Date Exercisable and | 7. Title and Amount of | 8. Price of | 9. Number of | 10. | 11. Nature |
| Security | Conversion | Date | Execution Date, if | Transaction | Derivative | Expiration Date | Underlying Securities | Derivative | Derivative | Ownership | of Indirect |
| (Instr. 3) | or Exercise | (Month/Day/Year) | any | Code | Securities | (Month/Day/Year) | (Instr. 3 and 4) | Security | Securities | Form of | Beneficial |
| | Price of | , | (Month/Day/Year) | (Instr. 8) | Acquired (A) | • | | (Instr. 5) | Beneficially | Derivative | Ownership |
| | Derivative | | | | or Disposed | | | | Owned | Security: | (Instr. 4) |
| | Security | | | | of (D) | | | | Following | Direct (D) | |
| | - | | | | (Instr. 3, 4, | | | | Reported | or Indirect | |
| | | | | | and 5) | | | | Transaction | (I) | |
| | | | | | | | | 1 | (s) | (Instr. 4) | |
| 1 | I | | l | I I | I I | l I | 1 1 | I | l l | l | I I |

| | | | Code | v | (A) | l | Date Exercisable | Expiration Date | 11110 | Amount or Number of Shares | | (Instr. 4) | | |
|-------------------|---------|------------|------|---|---------|---|---------------------|--------------------|-----------------|----------------------------------|---------|-------------------|---|--|
| Stock Option | \$25.78 | | | | | | 04/26/2004 | 04/26/2014 | Common Stock | 2,500 | | 2,500 | D | |
| Stock Option | \$33.22 | | | | | | 05/06/2005 | 05/06/2015 | Common Stock | 2,500 | | 2,500 | D | |
| Phantom Stock (5) | (3) | 07/01/2005 | A | | 201.581 | | (4) | (4) | Common Stock | 201.581 | \$36.71 | 13,385.563 (6) | D | |

Reporting Owners

| D | Relationships | | | | | | | |
|--|---------------|-----------|---------|-------|--|--|--|--|
| Reporting Owner Name / Address | Director | 10% Owner | Officer | Other | | | | |
| CARACI PHILIP D 7501 Wisconsin Avenue 15th Floor Bethesda, MD 20814 | X | | | | | | | |

Signatures

| Scott V. Schneider, by Power of Attorney | 07/06/2005 |
|--|------------|
| **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) Self-Trust. Reporting person is a Trustee.
- (2) Self-IRA
- (3) 1 for 1
- (4) Under the terms of the reporting person's Deferred Fee Agreement, payment of shares of the issuer's common stock commences at such time as the reporting person ceases to be a director of the issuer. Payment will be a lump sum upon termination of directorship.
- Pursuant to the issuer's Deferred Compensation Plan under its 2004 Stock Plan and the Deferred Fee Agreement executed by the reporting person, the reporting person has elected to defer receipt of his (5) director's fees, and receive phantom stock, the amount of which is calculated as the quotient of the dollar value of fees deferred, divided by the fair market value of the issuer's shares on the date the phantom stock is received.
- (6) Includes 156.355 shares(\$32.4950/share) awarded April 29, 2005 as dividend reinvestments on shares of phantom stock held by the reporting person pursuant to the issuer's Deferred Compensation Plan under its 2004 Stock Plan and shares of phantom stock issued under the issuer's Deferred Compensation and Stock Plan for Directors.

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.