FORM 4 Check this box if no longer

See Instruction 1(b).

subject to Section 16. Form 4 or

Form 5 obligations may continue.

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

T/	TEMENT OF	CHANGES IN BENEFI	CIAL OWNERS	SHIP OF SECURITIE

OMB APPROVAL

OMB Number: 3235-0287

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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 *- GROSVENOR GILBERT M				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, 1	3. Date of Earliest Transaction (Month/Day/Year) 10/01/2004							w)					
Bethesda, MD 20814	(Street)		4. If Amendmen	nt, Date of Original	Filed (Month/D	ay/Yea	r)			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 I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned									
1.Title of Security (Instr. 3)		Г	Transaction Date Month/Day/Year)	Execution Date, if	(Instr. 8)	Disposed of (D) Transaction(s)		Transaction(s)	6. Ownership Form: Direct (D) or Indirect	Beneficial Ownership			
					Code	V	Amount	(A) or (D)	Price		(I) (Instr. 4)		
Common Shares										700	D		
		<u> </u>						<u> </u>			<u>1</u> -	ļ.	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

(Instr. 3)	or Exercise	Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	Code Disposed of (D) (Month/Day/Year) (Instr. 3 and 4)	, 0	Derivative Security	Beneficially Owned Security Following Form of Derivat Security Direct (Ownership Form of Derivative	/						
				Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		Reported Transaction (s) (Instr. 4)	action (I) (Instr. 4)	
Stock Option	\$25.78							04/26/2004	04/26/2014	Common Stock	2,500		2,500	D	
Phantom Stock ⁽⁴⁾	(1)	10/01/2004		A		186.298		(2)	(2)	Common Stock	186.298	\$33.28	24,700.225 (3)	D	

Reporting Owners

D (1 0 N (11)	Relationships								
Reporting Owner Name / Address	Director	10% Owner	Officer	Other					
GROSVENOR GILBERT M 7501 Wisconsin Avenue 15th Floor Bethesda, MD 20814	X								

Signatures

Gilbert M. Grosvenor 10/05/2004

**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) 1 for
- (2) 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.
- (3) Includes 324.192 shares (\$29.10000/share) awarded July 30, 2004 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.
- (4) 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 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.

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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