

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

(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 Reporter to Issuer ____X____ Director ____ Officer (give title below)		
(Last) (First) (Middle) 7501 Wisconsin Avenue, 15th Floor			3. Date of Earliest Transaction (Month/Day/Year) 10/03/2005					
(Street) Bethesda, MD 20814			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Report __X__ Form filed by One Report ____ Form filed by More than One Report		
(City) (State) (Zip)			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 (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Acquired or Disposed of Following Reported Transaction(s) (Instr. 3 and 4)
Common Shares								977.636(5)

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

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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. Other Information
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option	\$25.78							04/26/2004	04/26/2014	Common Stock	2,500	
Stock Option	\$33.22							05/06/2005	05/06/2015	Common Stock	2,500	

Phantom Stock ⁽⁴⁾	⁽¹⁾	10/03/2005		A		173.816		⁽²⁾	⁽²⁾	Common Stock	173.816	\$
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GROSVENOR GILBERT M 7501 Wisconsin Avenue 15th Floor Bethesda, MD 20814	X			

Signatures

Scott V. Schneider, by Power of Attorney

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Signature of Reporting Person

10/05/2005

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 1
- (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 receives the first payment of director's fees. Payment will be a lump sum upon termination of directorship.
- (3) Includes 286.737 shares (\$36.6660/share) awarded July 29, 2005 as dividend reinvestments on shares of phantom stock held by the reporting person pursuant to the issuer's 2004 Stock Plan and shares of phantom stock issued under the issuer's Deferred Compensation and Stock Plan for Directors.
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 will 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 phantom stock is received.
- (4) 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 phantom stock is received.
- (5) Balance increased by July 29, 2005 Dividend Reinvestment Plan award of 9.471 shares.

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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