

☐ 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 MILLSPAUGH M LAURENCE III			2. Issuer Name and Ticker or Trading Symbol SAUL CENTERS INC [BFS]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) _____ Director _____ 10% Owner ___X___ Officer (give title below) _____ Other (specify below) Vice President-Acquis. & Dev.		
(Last) (First) (Middle) 7501 Wisconsin Avenue, 15th Floor			3. Date of Earliest Transaction (Month/Day/Year) 12/07/2004					
(Street) Bethesda, MD 20814			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 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 Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Common Shares								
Common Shares	12/07/2004		M		7,500	A	\$24.91	
Common Shares	12/07/2004		S		1,000	D	\$38.905	
Common Shares	12/07/2004		S		300	D	\$38.68	
Common Shares	12/07/2004		S		200	D	\$38.56	
Common Shares	12/07/2004		S		200	D	\$38.42	
Common Shares	12/07/2004		S		400	D	\$38.26	
Common Shares	12/08/2004		S		2,000	D	\$37.51	
Common Shares	12/08/2004		S		1,000	D	\$37.56	
Common Shares	12/09/2004		S		500	D	\$37.01	
Common Shares	12/09/2004		S		100	D	\$37	
Common Shares	12/09/2004		S		300	D	\$36.99	
Common Shares	12/09/2004		S		200	D	\$37	
Common Shares	12/09/2004		S		300	D	\$37.06	
Common Shares	12/09/2004		S		500	D	\$37.21	
Common Shares	12/09/2004		S		500	D	\$37.41	

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)

(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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		(A)	(D)	Date Exercisable	Expiration Date				
Employee Common Stock	\$25.78						04/26/2005 (1)	04/26/2014	Common Stock	15,000		15,000	D	
Employee Common Stock	\$24.91	12/07/2004		M		7,500	05/23/2004 (1)	05/23/2013	Common Stock	7,500	\$24.91	22,500	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MILLSPAUGH M LAURENCE III 7501 Wisconsin Avenue 15th Floor Bethesda, MD 20814			Vice President-Acquis. & Dev.	

Signatures

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) The option will vest 25% per year over four years from the date of the grant.

(2) Balance increased by July 31, 2004 and October 31, 2004 Dividend Reinvestment Plan awards of 4.021 shares and 3.761 shares, respectively.

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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