

FORM 5

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

OMB APPROVAL

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ANNUAL 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

- Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
- Form 3 Holdings Reported
- Form 4 Transactions Reported

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)					
(Last)	(First)	(Middle)	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/31/2005			___ Director			___ 10% Owner		
7501 Wisconsin Avenue, 15th Floor						___X___ Officer (give title below)			___ Other (specify below)		
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Reporting (check applicable line)					
Bethesda, MD 20814						___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 at end of Issuer's Fiscal Year (Instr. 3 and 4)		6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Amount	(A) or (D)	Price					
Common Shares							322.606 ⁽²⁾	I	Child-Martin		

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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Issuer's Fiscal Year (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Common Stock	\$25.78						04/26/2005 (1)	04/26/2014	Common Stock	15,000		15,000	D	
Employee Common Stock	\$24.91						05/23/2004 (1)	05/23/2013	Common Stock	7,500		22,500	D	

Employee Common Stock	\$33.22					05/06/2005 (1)	05/06/2015	Common Stock	15,000		15,000	D	
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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

Scott V. Schneider, by Power of Attorney

01/09/2006

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

(2) Balance increased by July 29, 2005 and October 31, 2005 Dividend Reinvestment Plan awards of 3.439 shares and 3.942 shares, respectively.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure.

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