

FORM 5

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

OMB APPROVAL	
OMB Number:	3235-0362
Expires:	January 31, 2008
Estimated average burden hours per response...	1.0

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

- ☐ 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

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

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) _X_ Director _____ 10% Owner ____ Officer (give title below) _____ Other (specify below)					
(Last) (First) (Middle) 7501 Wisconsin Avenue, 15th Floor			3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/29/2005								
(Street) Bethesda, MD 20814			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Reporting (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 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)	
Common Shares		12/29/2005		G	700	D	\$36.64	288.493		D	

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 2270 (9-02)

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				
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	
									Common					

Phantom Stock	(1)						(2)	(2)	Stock	195.303		27,270.478	D	
---------------	-----	--	--	--	--	--	-----	-----	-------	---------	--	------------	---	--

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

01/31/2006

**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) 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 ceases to be a director of the issuer. Payment will be a lump sum upon termination of directorship.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.