

Saul Centers, Inc.

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Saul Centers, Inc. Updates Development and Acquisition Activity

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Saul Centers, Inc. (NYSE: BFS), an equity real estate investment trust (REIT), focused in the Washington, D.C./Baltimore area, has recently closed on two transactions. Through its operating partnership, the Company purchased a newly constructed a 30,000 square foot office/flex building adjacent to its Avenel Business Park in Gaithersburg, Maryland. The building is 100% leased to a single tenant. This acquisition increases the size of the Company's Avenel Business Park to 389,000 square feet. The initial cash yield on the \$4,200,000 purchase price is 10%. The seller is an existing limited partner in the operating partnership.

Additionally, the Company purchased 7.1 acres of land located within the 1,580 acre community of Ashburn Village in Loudoun County, Virginia, adjacent to its 150,000 square foot Giant Food anchored Ashburn Village shopping center, for \$1,579,000. The Company plans to immediately begin developing 4.0 acres of the land as Ashburn Village III, consisting of an 18,000 square foot in-line expansion to the existing shopping center and several free standing pad sites. Construction is scheduled to begin in November 2000 and is planned to be ready for occupancy in the spring of 2001. The remaining 3.1 acres provides the Company with the ability to develop up to 40,000 square feet of additional retail space. The Company recently completed the development of Ashburn Village II, a 39,700 square foot in-line and pad expansion to the original shopping center, containing retail space and professional office suites. The entire shopping center is currently 98% leased.

Updating the Company's major development in progress, Saul Centers has successfully negotiated and signed leases on 49% of the 235,000 square foot Washington Square at Old Town, a new Class A mixed-use office/retail complex along North Washington Street in historic Old Town Alexandria in Northern Virginia. The project is well located on a two-acre site along Alexandria's main street and is comprised of two identical buildings separated by a brick courtyard. The buildings and site amenities are nearing substantial completion, while the interior buildout for the new tenant spaces has begun, with initial occupancy scheduled for November 2000. The 45,000 square feet of street level retail space is 83% leased and 40% of the office space is leased.

Saul Centers, Inc. operates and manages a real estate portfolio of 33 community and neighborhood shopping center and office properties totaling approximately 6.1 million square feet of gross leasable area, with over 80% of the cash flow generated from properties in the metropolitan Washington, D.C./Baltimore area.

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Visit the Company's web site at SaulCenters.com