

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 4, 2004

Gladstone Commercial Corporation
(Exact name of registrant as specified in its chapter)

Maryland (State or other jurisdiction of incorporation)	0-50363 (Commission File Number)	020681276 (IRS Employer Identification No.)
1616 Anderson Road, Suite 208 McLean, Virginia (Address of principal executive offices)		22102 (Zip Code)

Registrant's telephone number, including area code: (703) 286-7000

Item 7. Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits.

Exhibit No. -----	Description -----
99.1	Press release dated August 4, 2004

Item 12. Results of Operations and Financial Condition.

On August 4, 2004, Gladstone Commercial Corporation issued a press release announcing its financial results for the second quarter ended June 30, 2004. The text of the press release is included as an exhibit to this Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein and herein is deemed to be furnished and shall not be deemed to be filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

August 4, 2004

Gladstone Commercial Corporation
(Registrant)
By: /s/ Harry Brill

(Harry Brill, Chief Financial Officer)

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press release dated August 4, 2004

Gladstone Commercial Corporation Announces the Financial Results
for the Second Quarter Ended June 30, 2004

MCLEAN, Va., Aug. 4 /PRNewswire-FirstCall/ -- Gladstone Commercial Corp. (Nasdaq: GOOD) (the "Company") reported today financial results for the second quarter ended June 30, 2004. Net income for the period was \$132,275, or \$0.02 per basic and diluted weighted average common share, compared to a net loss for the second quarter ended June 30, 2003 of \$105, or \$0.00 per basic and diluted weighted average common share. For the six months ended June 30, 2004 the net loss was \$61,029, or \$0.01 per basic and diluted weighted average common share, compared to a net loss for the period from February 14, 2003 (inception) through June 30, 2003 of \$10,654, or \$0.20 per basic and diluted weighted average common share. Our initial public offering took place in August of 2003 and therefore, the financial statements for the corresponding periods of 2003 do not provide an accurate basis for comparison. Total assets were \$104,404,705 as of June 30, 2004 as compared to \$105,061,370 at December 31, 2003.

The National Association of Real Estate Investment Trusts (NAREIT) developed Funds from Operations, ("FFO"), as a relative non-GAAP (Generally Accepted Accounting Principles in the United States) financial measure of performance and liquidity of an equity REIT in order to recognize that income-producing real estate historically has not depreciated on the basis determined under GAAP. FFO, as defined by NAREIT, is net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. FFO for the second quarter ended June 30, 2004 was \$259,047, or \$0.03 per diluted weighted average common share. A reconciliation of FFO to net income is set forth below:

	Three months ended June 30, 2004	Six months ended June 30, 2004
Net income (loss)	\$ 132,275	\$ (61,029)
Real estate depreciation and amortization	126,772	206,101
Funds from operations	259,047	145,072
Weighted average shares outstanding - diluted	7,764,734	7,695,132
Diluted net income (loss) per weighted average common share	\$ 0.02	\$ (0.01)
Diluted funds from operations per weighted average common share	\$ 0.03	\$ 0.02

To learn more about our FFO please refer to the Quarterly Report on the Form 10-Q for the quarter ended June 30, 2004 filed with the Securities and Exchange Commission ("SEC") today.

"In the second quarter we added two properties for an aggregate purchase price of \$18.6 million to our portfolio. At June 30, 2004, we had approximately \$39.2 million invested from our initial public offering in four real properties and one mortgage loan. Subsequent to June 30, 2004, we have also acquired one property for \$5.2 million. Once the proceeds from our initial public offering have been substantially or fully invested, we intend to obtain and use a line of credit to continue to make investments," said a spokesperson for the Company.

The financial statements below are without footnotes so readers should obtain and carefully review our Form 10-Q for the period ended June 30, 2004, including the footnotes to the financial statements contained therein. We have filed the Form 10-Q today with the SEC and the Form 10-Q can be retrieved at the SEC website at www.SEC.gov or the website for Gladstone Commercial at <http://www.GladstoneCommercial.com>.

Gladstone Commercial will have a conference call at 10:30 am EDT, August 5, 2004. To enter the call please dial 866-818-1395 and use the confirmation code 530364. An operator will monitor the call and set a queue for questions. To hear the replay please dial 888-266-2081 and use the confirmation code 530364. The replay will be available until September 4, 2004.

For further information contact our Chief Financial Officer, Harry Brill or Skye Breeden, Director of Shareholder Relations at 703-286-7000.

This press release may include statements that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements with regard to the future performance of the Company and the closing of any transaction. Words such as "believes," "intend," "expects," "projects" and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements inherently involve certain risks and uncertainties, although they are based on the Company's current plans that are believed to be reasonable as of the date of this press release. Factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements include, among others, those factors listed under the caption "Risk factors" of the Company's Annual Report on Form 10-K for the year ended, December 31, 2003, as filed with the Securities and Exchange Commission on March 10, 2004. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Gladstone Commercial Corporation
Consolidated Balance Sheet
(Unaudited)

	June 30, 2004	December 31, 2003
ASSETS		
Real estate, net	\$26,863,418	\$5,436,153
Mortgage note receivable	11,150,787	-
Cash and cash equivalents	65,016,018	99,075,765
Funds held in escrow	187,234	-
Interest receivable - mortgage note	61,950	-
Deferred rent receivable	41,535	-
Prepaid expenses	68,932	191,432
Other assets	25,000	-
Lease intangibles, net of accumulated amortization of \$38,979 and \$1,208, respectively	989,831	358,020
TOTAL ASSETS	\$104,404,705	\$105,061,370
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Due to Adviser	\$103,210	\$234,295
Accounts payable	41,594	-
Dividends payable	917,040	76,420
Accrued expenses	14,220	-
Rent received in advance, security deposits and funds held in escrow	480,826	-
Total Liabilities	1,556,890	310,715
STOCKHOLDERS' EQUITY		
Common stock, \$0.001 par value, 20,000,000 shares authorized, 7,642,000 shares issued and outstanding	7,642	7,642
Additional paid-in capital	105,052,573	105,060,304
Distributions in excess of accumulated earnings	(2,212,400)	(317,291)
Total Stockholders' Equity	102,847,815	104,750,655
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$104,404,705	\$105,061,370

Gladstone Commercial Corporation
Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended June 30, 2004	For the Three Months Ended June 30, 2003
OPERATING REVENUES:		
Rental income	\$403,690	\$-
Interest income from mortgage note receivable	278,980	-
Total operating revenues	682,670	-

OPERATING EXPENSES:		
Management advisory fee	280,122	-
Depreciation and amortization	126,772	-
General and administrative	306,024	105
Total operating expenses	712,918	105
Net loss from operations	(30,248)	(105)
Interest income from temporary investments	162,523	-
NET INCOME (LOSS)	\$132,275	\$(105)
Earnings (loss) per weighted average common share		
Basic	\$0.02	\$-
Diluted	\$0.02	\$-
Weighted average shares outstanding		
Basic	7,642,000	52,000
Diluted	7,695,134	52,000

	For the Six Months Ended June 30, 2004	For the Period February 14, 2003 (Inception) to June 30, 2003
OPERATING REVENUES:		
Rental income	\$601,463	\$-
Interest income from mortgage note receivable	412,400	-
Total operating revenues	1,013,863	-

OPERATING EXPENSES:		
Management advisory fee	509,538	-
Depreciation and amortization	206,101	-
General and administrative	694,238	10,654
Total operating expenses	1,409,877	10,654
Net loss from operations	(396,014)	(10,654)
Interest income from temporary investments	334,985	-
NET LOSS	\$(61,029)	\$(10,654)
Loss per weighted average common share		
Basic	\$(0.01)	\$(0.20)
Diluted	\$(0.01)	\$(0.20)
Weighted average shares outstanding		
Basic	7,642,000	52,000
Diluted	7,764,732	52,000

Gladstone Commercial Corporation Consolidated Statement of Cash Flows (Unaudited)	For the Six Months Ended June 30, 2004	For the Period February 14, 2003 (Inception) to June 30, 2003
Cash flows from operating activities:		
Net loss	\$(61,029)	\$(10,654)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	206,101	-
Changes in assets and liabilities:		
Increase in mortgage interest receivable	(61,950)	-
Decrease in prepaid expenses	122,500	-

Increase in other assets	(25,000)-	
Increase in deferred rent receivable	(41,535)	-
Increase in accounts payable	41,594	10,654
Decrease in due to Adviser	(131,085)	-
Increase in accrued expenses	14,220	-
Increase in rent received in advance and security deposits	293,592	-
Net cash provided by operating activities	357,408	-
Cash used in investing activities:		
Acquisition of real estate	(22,265,178)	-
Mortgage note receivable	(11,170,000)	-
Principal repayments on mortgage note receivable	19,213	-
Net cash used in investing activities	(33,415,965)	-
Cash flow from financing activities:		
Proceeds from share issuance	-	52,000
Payments for deferred offering costs	-	(22,385)
Offering costs	(7,730)	-
Dividends paid	(993,460)	-
Net cash (used in) provided by financing activities	(1,001,190)	29,615
Net (decrease) increase in cash and cash equivalents	(34,059,747)	29,615
Cash and cash equivalents, beginning of period	99,075,765	-
Cash and cash equivalents, end of period	\$65,016,018	\$29,615

SOURCE Gladstone Commercial Corp.

-0-

08/04/2004

/CONTACT: Harry Brill, Chief Financial Officer, or Skye Breeden, Director
of Shareholder Relations, both of Gladstone Commercial Corp., +1-703-286-7000/
/Web site: <http://www.gladstonecommercial.com/>
(GOOD)

CO: Gladstone Commercial Corp.

ST: Virginia

IN: FIN RLT

SU: ERN CCA