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) May 2, 2006

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

Maryland	0-50363	020681276
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1521 Westbranch Drive, Suite 200
McLean, Virginia 22102
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (703) 287-5800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

|_| Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

|_| Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

|_| Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

|_| Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On May 2, 2006, Gladstone Commercial Corporation issued a press release announcing its financial results for the first quarter ended March 31, 2006. 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 are deemed to be furnished and shall not be deemed to be filed.

Item 9.01 Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release dated May 2, 2006

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.

Gladstone Commercial Corporation
(Registrant)

May 2, 2006

By:/s/ Harry Brill

(Harry Brill, Chief Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated May 2, 2006

Exhibit 99.1

Gladstone Commercial Corporation Announces First Quarter 2006 Results

Business Editors/Real Estate Writers

MCLEAN, Va.--(BUSINESS WIRE)--May 2, 2006--Gladstone Commercial Corp. (NASDAQ:GOOD):

-- Reports Net income of $502,356 or $0.06 per diluted weighted average common share

-- Reports Funds from Operations ("FFO") of $2.3 million or $0.30 per diluted common share

-- Acquired 3 properties for a total investment of $49.0 million

Gladstone Commercial Corp. (NASDAQ:GOOD) (the "Company") today reported financial results for the first quarter ended March 31, 2006. A description of Funds from Operations, or "FFO" a non - Generally Accepted Accounting Principles in the United States ("GAAP") financial measure, is located at the end of this news release. All per share references are diluted weighted average common shares, unless otherwise noted.

Net income for the quarter ended March 31, 2006 was $502,356 or $0.06 per share, compared to $535,184 or $0.07 per share one year ago. Net income results for the first quarter of 2006 when compared to the same period last year, were affected by the implementation of FASB Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"), and Statement of Financial Accounting Standards ("SFAS") No.123 (Revised 2004) "Share-Based Payment" ("SFAS No. 123(R)"),and the change in accounting treatment related to SFAS No. 141, "Business Combinations", an explanation of these items follows:

FIN No. 47 "Accounting for Conditional Asset Retirement Obligations"

Asset retirement obligation expense for the three months ended March 31, 2006 was $55,143, or $0.01 per share, resulting from the adoption of FIN 47. FIN 47 requires an entity to recognize a liability for a conditional asset retirement obligation when incurred if the liability can be reasonably estimated. FIN 47 clarifies that the term "Conditional Asset Retirement Obligation" refers to a legal obligation (pursuant to existing laws or by contract) to perform an asset retirement activity in which the timing or method of settlement are conditional on a future event that may or may not be within the control of the entity. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. A liability was not recorded as of December 31, 2005 as the Company deemed the impact of its initial estimates immaterial and worked to further refine these estimates. A liability was accrued for the disposal related to all properties constructed prior to 1985 which may have asbestos present in the building.

SFAS No. 123(R),"Share-based Payment"

Stock option compensation expense for the three months ended March 31, 2006 was $46,216, or $0.01 per share. This is the result of the adoption of the SFAS No. 123(R),"Share-based Payment." SFAS No. 123(R) replaces SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." Under the modified prospective approach, stock-based compensation expense was recorded for the unvested portion of previously issued option awards that remain outstanding at January 1, 2006 using the same estimate of the grant date fair value and the same attribution method used to determine the pro forma disclosure under SFAS No. 123. This is a non-cash charge to earnings that is not deductible for tax purposes and does not reduce the funds available for dividends.

SFAS No. 141, "Business Combinations"

The Company accounts for its acquisitions of real estate in accordance with SFAS No. 141, "Business Combinations", which requires the purchase price of real estate to be allocated to the acquired tangible assets and liabilities (consisting of land, building, tenant improvements and long-term debt) and identified intangible assets and liabilities, (consisting of the value of above-market and below-market leases, the value of in-place leases, the value of unamortized lease origination costs and the value of tenant relationships), based in each case on their respective fair values. The Company has determined that five of its properties, which were originally not treated as business combinations under SFAS No. 141, because there was not an existing lease in place at the time of acquisition, should have been treated as business combinations when determining the purchase price of the real estate. These properties had leases that were put in place on the date of acquisition and, thus, were implicitly included in the purchase price and should have been considered as leases in place for purposes of determining if the acquisitions were business combinations. As a result, the Company recognized a one time, additional depreciation expenses of $140,606, or $0.02 per share, for the three months ended March 31, 2006 in order to make the depreciation of the five properties consistent with the concepts of SFAS No. 141.

FFO for the first quarter ended March 31, 2006 was $2,337,096 or $0.30 per share, compared to $1,072,939 or $0.14 per share for the same period one year ago. A reconciliation of net income, which we believe is the most directly comparable GAAP measure, to FFO is set forth below:

	For the three months ended March 31, 2006	For the three months ended March 31, 2005
Net income	$ 846,800	$ 535,184
Add: Real estate depreciation and amortization	1,834,740	537,755
FFO	2,681,540	1,072,939
Less: Dividends attributable to preferred stock	(344,444)	-
FFO available to common stockholders	2,337,096	1,072,939
Weighted average shares outstanding - basic	7,672,000	7,667,000
Weighted average shares outstanding - diluted	7,821,658	7,733,335
Basic net income per weighted average common share	$ 0.07	$ 0.07
Diluted net income per weighted average common share	$ 0.06	$ 0.07
Basic FFO per weighted average common share	$ 0.30	$ 0.14
Diluted FFO per weighted average common share	$ 0.30	$ 0.14

First quarter highlights:

- Acquired 3 properties with 617,802 square feet for an aggregate purchase price of approximately $49.0 million;
- Assumed 2 mortgage notes for approximately $30.0 million;
- Borrowed $17.0 million pursuant to a long-term note payable collateralized by security interests in 3 of its properties, which accrues interest at a rate of 5.92% per year; and
- Completed a public offering of 1,000,000 shares of a 7.75% Series A Cumulative Redeemable Preferred Stock, at a price of $25.00 per share, under the Company's shelf registration statement on Form S-3, and pursuant to the terms set forth in the Company's prospectus dated October 24, 2005, as supplemented by the prospectus supplement dated January 18, 2006. Net proceeds of the offering, after underwriting discounts and offering expenses, were approximately $23.7 million, which were used to repay outstanding indebtedness under the Company's line of credit. The offering of preferred stock closed on January 26, 2006, and the stock is traded on the Nasdaq National Market under the trading symbol "GOODP".

Subsequent to quarter end, the Company:

- Declared monthly cash dividends on common stock of $0.12 per common share for each of the months of April, May and June of 2006;
- Declared monthly cash dividends on Series A preferred stock of $0.1614583 per share for the months of April, May and June 2006; and

-- Borrowed $14.9 million pursuant to a long-term note payable collateralized by security interests in 5 of its properties, which accrues interest at a rate of 6.58% per year.

"The $25 million raised in January through our Series A preferred stock offering enabled us to continue our portfolio growth with the acquisition of three properties during the first quarter," said Chip Stelljes, Executive Vice President and Chief Investment Officer. "However, the first quarter earnings results were affected by the implementation of two accounting pronouncements and the change in accounting treatment of another item. We anticipate that these accounting treatment changes will not hinder our full year 2006 earnings performance."

The financial statements attached below are without footnotes so readers should obtain and carefully review the Company's Form 10-Q for the quarter ended March 31, 2006, including the footnotes to the financial statements contained therein. The Company has filed the Form 10-Q today with the SEC and the Form 10-Q can be retrieved from the SEC website at www.SEC.gov or our website at www.GladstoneCommercial.com.

The Company will hold a conference call Wednesday, May 3, 2006 at 9:30 am EDT to discuss first quarter earnings. Please call (877) 407-9205 to enter the conference. An operator will monitor the call and set a queue for the questions.

The conference call replay will be available two hours after the call and will be available through June 2, 2006. To hear the replay, please dial (877) 660-6853, access playback account 286 and use ID code 199316.

Gladstone Commercial Corporation is a publicly traded real estate investment trust that focuses on investing in and owning triple-net leased industrial and commercial real estate properties and selectively making long-term mortgage loans. Additional information can be found at www.GladstoneCommercial.com.

For further information, contact our Investor Relations Manager, Kelly Sargent at 703-287-5835.

NON-GAAP FINANCIAL MEASURES

Funds from Operations

The National Association of Real Estate Investment Trusts (NAREIT) developed FFO, as a relative non-GAAP (Generally Accepted Accounting Principles) supplemental measure of operating performance 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 (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 does not represent cash flows from operating activities determined in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income), and should not be considered an alternative to net income as an indication of the Company's performance or to cash flow from operations as a measure of liquidity or ability to make distributions.

The Company believes that FFO per share provides investors with a further context for evaluating the Company's financial performance and as a supplemental measure to compare the Company to other REITs; however, comparisons of the Company's FFO to the FFO of other REITs may not necessarily be meaningful due to potential differences in the application of the NAREIT definition used by such other REITs.

To learn more about FFO please refer to the Form 10-Q for the quarter ended March 31, 2006, as filed with the Securities and Exchange Commission ("SEC") today.

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 "may," "will," "believes," "anticipates," "intends," "expects," "projects," "estimates" 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, expectations and beliefs 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, 2005, as filed with the Securities and Exchange Commission on February 28, 2006. The risk factors set forth in the Form 10-K under the caption "Risk Factors" are specifically incorporated by references into this press release. All forward-looking statements are based on current plans, expectations and beliefs and speak only as of the date of such statements. 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 Sheets
(unaudited)

	March 31, 2006	December 31, 2005
ASSETS		
Real estate, net of accumulated depreciation of $4,562,992 and $3,408,878, respectively	$204,739,533	$161,634,761
Lease intangibles, net of accumulated amortization of $1,902,039 and $1,221,413, respectively	22,593,292	13,947,484
Mortgage notes receivable	21,000,455	21,025,815
Cash and cash equivalents	1,280,038	1,740,159
Restricted cash	1,935,741	1,974,436
Funds held in escrow	1,730,346	1,041,292
Interest receivable - mortgage note	70,586	70,749
Interest receivable - employees	5,548	-
Deferred rent receivable	2,751,382	2,590,617
Deferred financing costs, net of accumulated amortization of $381,970 and $260,099, respectively	2,762,706	1,811,017
Prepaid expenses	471,160	385,043
Deposits on real estate	200,000	600,000
Accounts receivable	266,312	225,581
TOTAL ASSETS	$259,807,099	$207,046,954
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Mortgage notes payable	$108,558,267	$ 61,558,961
Borrowings under line of credit	22,260,000	43,560,000
Deferred rent liability	3,698,616	-
Asset retirement obligation liability	1,428,964	-
Accounts payable and accrued expenses	743,560	493,002
Due to adviser	196,148	164,155
Rent received in advance, security deposits and funds held in escrow	2,488,362	2,322,300
Total Liabilities	139,373,917	108,098,418
STOCKHOLDERS' EQUITY		
Redeemable preferred stock, $0.001 par value; $25 liquidation preference; 1,150,000 shares authorized and 1,000,000 shares issued and outstanding at March 31, 2006	1,000	-
Common stock, $0.001 par value, 18,850,000 shares authorized and 7,672,000 shares issued and outstanding at both December 31, 2005 and March 31, 2006	7,672	7,672
Additional paid in capital	129,245,756	105,502,544
Notes receivable - employees	(432,282)	(432,282)
Distributions in excess of accumulated earnings	(8,388,964)	(6,129,398)
Total Stockholders' Equity	120,433,182	98,948,536
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$259,807,099	$207,046,954

Gladstone Commercial Corporation
Consolidated Statements of Operations

(unaudited)

	For the three months ended March 31, 2006	For the three months ended March 31, 2005
Operating revenues		
Rental income	$ 5,021,485	$ 1,847,007
Interest income from mortgage notes receivable	552,913	295,583
Tenant recovery revenue	5,623	2,043
Total operating revenues	5,580,021	2,144,633
Operating expenses		
Depreciation and amortization	1,834,740	537,755
Management advisory fee	652,742	471,861
Professional fees	202,936	331,244
Taxes and licenses	54,259	128,273
Insurance	82,999	70,383
General and administrative	145,958	132,828
Asset retirement obligation expense	55,143	-
Stock option compensation expense	46,216	-
Total operating expenses	3,074,993	1,672,344
Other income (expense)		
Interest income from temporary investments	7,373	94,521
Interest income - employee loans	5,548	4,685
Interest expense	(1,682,948)	(36,219)
Income before realized and unrealized losses	835,001	535,276
Realized and unrealized loss from foreign currency		
Net realized loss from foreign currency transactions	(816)	(347)
Net unrealized gain from foreign currency transactions	12,615	255
Total net realized and unrealized gain (loss) from foreign currency	11,799	(92)
Net income	846,800	535,184
Dividends attributable to preferred stock	(344,444)	-
Net income available to common stockholders	$ 502,356	$ 535,184
Earnings per weighted average common share		
Basic	$ 0.07	$ 0.07
Diluted	$ 0.06	$ 0.07
Weighted average shares outstanding		
Basic	7,672,000	7,667,000
Diluted	7,821,658	7,733,335

Gladstone Commercial Corporation
Consolidated Statements of Cash Flows
(unaudited)

	For the three months ended March 31, 2006	For the three months ended March 31, 2005

Cash flows from operating activities:		
Net income	$ 846,800	$ 535,184
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,834,740	537,755
Amortization of deferred financing costs	121,871	16,246
Amortization of deferred rent asset	63,374	6,136
Amortization of deferred rent liability	(80,290)	-
Asset retirement obligation expense	55,143	-
Stock compensation	46,216	-
Unrealized gain from foreign currency transactions	(12,615)	(255)
Changes in assets and liabilities:		
Decrease (increase) in mortgage interest receivable	163	(6,314)
(Increase) decrease in employee interest receivable	(5,548)	107
Increase in prepaid expenses	(86,117)	(32,341)
(Increase) decrease in other assets	(40,730)	48,170
Increase in deferred rent receivable	(224,386)	(97,244)
Increase in accounts payable and accrued expenses	250,558	249,075
Increase in due to Adviser	31,993	13,367
Increase in rent received in advance and security deposits	204,757	75,098
Payments to lenders for operating reserves held in escrow	(872,926)	-
Increase in operating reserves from tenants	451,969	-
Net cash provided by operating activities	2,584,972	1,344,984
Cash flows from investing activities:		
Real estate investments	(18,302,939)	(12,485,610)
Decrease in restricted cash	38,695	-
Receipts from tenants for capital reserves	301,808	-
Payments to tenants from capital reserves	(230,141)	-
Payments to lenders for capital reserves held in escrow	(414,360)	-
Receipts from lenders for capital reserves held in escrow	35,901	-
Deposits on future acquisitions	(350,000)	(550,000)
Deposits applied against real estate investments	750,000	350,000
Principal repayments on mortgage loans	25,360	25,786
Net cash used in investing activities	(18,145,676)	(12,659,824)
Cash flows from financing activities:		
Proceeds from share issuance	25,000,000	-
Offering costs	(1,302,006)	-
Borrowings under mortgage note payable	17,000,000	3,150,000
Principal repayments on mortgage note payable	(117,486)	-
Borrowings from line of credit	35,200,000	-
Repayments on line of credit	(56,500,000)	-
Principal repayments on employee loans	-	208
Payments for deferred financing costs	(1,073,561)	(629,380)
Dividends paid for common and preferred	(3,106,364)	(2,300,100)
Net cash provided by financing activities	15,100,583	220,728
Net decrease in cash and cash equivalents	(460,121)	(11,094,112)
Cash and cash equivalents, beginning of period	1,740,159	29,153,987

Cash and cash equivalents, end of period	$ 1,280,038	$ 18,059,875
Cash paid during period for interest	$ 1,545,821	$ 8,862
NON-CASH INVESTING ACTIVITIES		
Increase in asset retirement obligation	$ 1,373,820	$ -
NON-CASH FINANCING ACTIVITIES		
Fixed rate debt assumed in connection with acquisitions	$ 30,129,654	$ -

CONTACT: Gladstone Commercial Corp.
Kelly Sargent, 703-287-5835