

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) March 8, 2005

GLADSTONE COMMERCIAL CORPORATION
(Exact name of registrant as specified in its chapter)

Maryland (State or other jurisdiction of incorporation)	0-50363 (Commission File Number)	02-0681276 (IRS Employer Identification No.)
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1616 Anderson Road, Suite 208 McLean, Virginia (Address of principal executive offices)	22102 (Zip Code)
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Registrant's telephone number, including area code: (703) 286-7000

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 March 8, 2005, Gladstone Commercial Corporation issued a press release announcing its financial results for the year ended December 31, 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.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

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

Exhibit No.	Description
99.1	Press release dated March 8, 2005

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)

March 9, 2005

By: /s/ Harry Brill

Harry Brill
Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NO. DESCRIPTION

99.1 Press release dated March 8, 2005

Press Release for March 8, 2005

GLADSTONE COMMERCIAL CORPORATION ANNOUNCES FINANCIAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2004: NET INCOME OF \$0.21
PER WEIGHTED AVERAGE COMMON SHARE AND FUNDS FROM OPERATIONS OF
\$0.34 PER DILUTED WEIGHTED AVERAGE COMMON SHARE

MCLEAN, Va., March 8 /PRNewswire-FirstCall/ -- Gladstone Commercial Corp. (Nasdaq: GOOD) (the "Company") reported today financial results for the quarter and year ended December 31, 2004. Net income for the year ended December 31, 2004 was \$1,623,928, or \$0.21 per basic and diluted weighted average common share, compared to a net loss for the period from February 14, 2003 (inception) through December 31, 2003 of \$240,871, or \$0.07 per basic and diluted weighted average common share. Funds from Operations ("FFO") for the year ended December 31, 2004 was \$2,597,273 or \$0.34 per diluted weighted average common share.

Net Income for the three months ended December 31, 2004 was \$999,920, or \$0.13 per basic and diluted weighted average common share, compared to a net loss of \$126,009, or \$0.02 per basic and diluted weighted average common share for the three months ended December 31, 2003. FFO for the three months ended December 31, 2004 was \$1,454,132 or \$0.19 per diluted weighted average common share.

In the fourth quarter of 2004, the Company added four additional properties to its portfolio, for an aggregate purchase price of approximately \$12.8 million. At December 31, 2004, the Company had approximately \$75.8 million invested from its initial public offering in twelve real properties and one mortgage loan. Subsequent to December 31, 2004, the Company acquired two properties for an aggregate cost of \$12.4 million. Also subsequent to the year end the company announced that it had arranged a warehouse line of credit with BB&T Bank for up to \$50 million.

"The fourth quarter showed positive growth and results for the Company, and we look forward to 2005. We have a backlog of new purchases that we believe will permit us to increase our future dividend. We also expect to receive long-term mortgages on some of our investments and expect to begin using our new warehouse line of credit to make new investments," said a spokesperson for the Company.

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 (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 does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income (loss)), and should not be considered an alternative to either net income (loss) as an indication of our performance or to cash flow from operations as a measure of liquidity or ability to make distributions.

A reconciliation of net income, which we believe is the most directly comparable GAAP measure, to FFO is set forth below:

<TABLE>
<CAPTION>

	Year ended through December 31, 2004	For the period February 14, 2003 (inception) December 31, 2003
	-----	-----
<S>	<C>	<C>
Net income	\$ 1,623,928	\$ (240,871)
Real estate depreciation and amortization	973,345	5,827
Funds from operations	2,597,273	(235,044)
Weighted average shares outstanding - diluted	7,708,534	3,229,119
Diluted net income (loss) per weighted average common share	\$ 0.21	\$ (0.07)
Diluted funds from operations per weighted average common share	\$ 0.34	\$ (0.07)

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<TABLE>
<CAPTION>

For the three For the three

	months ended December 31, 2004	months ended December 31, 2003
	-----	-----
<S>	<C>	<C>
Net income (loss)	\$ 999,920	\$ (126,009)
Real estate depreciation and amortization	454,212	5,827
Funds from operations	1,454,132	(120,182)
Weighted average shares outstanding - diluted	7,725,434	7,674,455
Diluted net income (loss) per weighted average common share	\$ 0.13	\$ (0.02)
Diluted funds from operations per weighted average common share	\$ 0.19	\$ (0.02)

</TABLE>

To learn more about our FFO please refer to our Annual Report on Form 10-K for the year ended December 31, 2004 filed with the Securities and Exchange Commission ("SEC") today and on our web site at <http://www.GladstoneCommercial.com>.

The financial statements attached below are without footnotes so readers should obtain and carefully review our Form 10-K for the year ended December 31, 2004, including the footnotes to the financial statements contained therein. We have filed the Form 10-K today with the SEC and the Form 10-K can be retrieved at the SEC website at <http://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 EST, March 9, 2005. To enter the call please dial 866-244-4526 and use the confirmation code 658722. An operator will monitor the call and set a queue for questions. To hear the replay of the call please dial 888-266-2081 and use the confirmation code 658722. The replay will be available until April 9, 2005.

For further information contact our Chief Financial Officer, Harry Brill, 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, 2004, as filed with the Securities and Exchange Commission on March 8, 2005. 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

<TABLE>
<CAPTION>

	December 31, 2004	December 31, 2003
	-----	-----
<S>	<C>	<C>
ASSETS		
Real estate, net	\$ 60,466,330	\$ 5,436,153
Mortgage note receivable	11,107,717	-
Cash and cash equivalents	29,153,987	99,075,765
Funds held in escrow	1,060,977	-
Interest receivable - mortgage note	64,795	-
Interest receivable - employees	4,792	-
Deferred rent receivable	210,846	-
Prepaid expenses	170,685	191,432
Other assets	114,819	-
Lease intangibles, net of accumulated amortization of \$194,047 and \$1,208, respectively	3,230,146	358,020
TOTAL ASSETS	105,585,094	105,061,370

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Due to Adviser	129,231	234,295
Accounts payable and accrued expenses	168,389	-
Dividends payable	920,040	76,420
Rent received in advance, security deposits and funds held in escrow	1,674,741	-
Total Liabilities	2,892,401	310,715

STOCKHOLDERS' EQUITY

Common stock, \$0.001 par value, 20,000,000 shares authorized and 7,667,000 and 7,642,000 shares issued and outstanding, respectively	7,667	7,642
Additional paid in capital	105,427,549	105,060,304
Notes receivable - employees	(375,000)	-
Distributions in excess of accumulated earnings	(2,367,523)	(317,291)
Total Stockholders' Equity	102,692,693	104,750,655

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$105,585,094	\$105,061,370
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Gladstone Commercial Corporation
Consolidated Statements of Operations

<TABLE>

<CAPTION>

	For the Year ended December 31, 2004	For the period February 14, 2003 (inception) through December 31, 2003
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<S>	<C>	<C>
OPERATING REVENUES		
Rental income	\$ 3,331,215	\$ 12,180
Interest income from mortgage note receivable	981,187	-
Total operating revenues	4,312,402	12,180
OPERATING EXPENSES		
Management advisory fee	1,187,776	317,188
Depreciation and amortization	973,345	5,827
Insurance	250,816	111,240
Professional Fees	448,969	39,511
General and administrative	442,227	83,382
Total operating expenses	3,303,133	557,148
Net income (loss) from operations	1,009,269	(544,968)
Interest income from temporary investments	608,617	304,097
Interest income - employee loans	6,042	-
NET INCOME (LOSS)	\$ 1,623,928	\$ (240,871)
Earnings (loss) per weighted average common share		
Basic	\$ 0.21	\$ (0.07)
Diluted	\$ 0.21	\$ (0.07)
Weighted average shares outstanding		
Basic	7,649,855	3,229,119
Diluted	7,708,534	3,229,119

</TABLE>

Gladstone Commercial Corporation
Consolidated Statements of Operations

<TABLE>

<CAPTION>

For the three months ended	For the three months ended
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	December 31, 2004	December 31, 2003
<S>	-----	-----
<C>	<C>	<C>
OPERATING REVENUES		
Rental income	\$ 1,663,677	\$ 12,180
Interest income from mortgage note receivable	284,128	-
Total operating revenues	1,947,805	12,180
OPERATING EXPENSES		
Management advisory fee	344,416	193,092
Depreciation and amortization	454,212	5,827
Insurance	62,262	60,734
Professional Fees	135,165	29,511
General and administrative	76,538	61,590
Total operating expenses	1,072,593	350,754
Net income (loss) from operations	875,212	(338,574)
Interest income from temporary investments	119,916	212,565
Interest income - employee loans	4,792	-
NET INCOME (LOSS)	\$ 999,920	\$ (126,009)
Earnings (loss) per weighted average common share		
Basic	\$ 0.13	\$ (0.02)
Diluted	\$ 0.13	\$ (0.02)
Weighted average shares outstanding		
Basic	7,667,000	7,642,000
Diluted	7,725,434	7,674,455

Gladstone Commercial Corporation
Consolidated Statements of Cash Flows

<TABLE>
<CAPTION>

	For the Year ended December 31, 2004	For the period February 14, 2003 (inception) through December 31, 2003
<S>	-----	-----
<C>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	\$ 1,623,928	\$ (240,871)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	973,345	5,827
Changes in assets and liabilities:		
Increase in mortgage interest receivable	(64,795)	-
Increase in employee interest receivable	(4,792)	-
Decrease (increase) in prepaid expenses	20,747	(191,432)
Increase in other assets	(64,819)	-
Increase in deferred rent receivable	(210,846)	-
Increase in accounts payable and accrued expenses	168,389	-
(Decrease) increase in due to Adviser	(105,064)	234,295
Increase in rent received in advance and security deposits	613,764	-
Net cash provided by (used in) operating activities	2,949,857	(192,181)
Cash flows from investing activities:		
Acquisition of real estate	(58,875,648)	(5,800,000)
Issuance of mortgage note receivable	(11,170,000)	-
Deposit on future acquisition	(50,000)	-
Principal repayments on mortgage note receivable	62,283	-
Net cash used in investing activities	(70,033,365)	(5,800,000)
Cash flows from financing activities:		

Proceeds from share issuance	-	105,067,946
Offering costs	(7,730)	-
Dividends paid	(2,830,540)	-
Net cash (used in) provided by financing activities	(2,838,270)	105,067,946
Net (decrease) increase in cash and cash equivalents	(69,921,778)	99,075,765
Cash and cash equivalents, beginning of period	99,075,765	-
Cash and cash equivalents, end of period	\$ 29,153,987	\$ 99,075,765

Non-cash financing activities:

Notes receivable issued in exchange for common stock associated with the exercise of employee stock options	\$ 375,000	\$ -
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</TABLE>

SOURCE Gladstone Commercial Corporation

-0- 03/08/2005

/CONTACT: Harry Brill, Chief Financial Officer of Gladstone Commercial
Corporation, +1-703-286-7000/
/Web site: <http://www.gladstonecommercial.com/>
(GOOD)