

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17(a)-1(b)(3) THEREUNDER

1. July 18, 2007
Date of Report (Date of earliest event reported)
2. 152747 3. 050-000-153-790
SEC Identification Number BIR Tax Identification Number
4. AYALA LAND, INC.
Exact Name of registrant as specified in its charter
5. MAKATI CITY, PHILIPPINES 6. [REDACTED] (SEC Use Only)
Province, country or other jurisdiction of Industry Classification Code
incorporation
7. 30/F, Tower One, Ayala Triangle, Ayala Avenue, Makati City 1226
Address of principal office Postal code
8. (632) 848-5313
Registrant's telephone number, including area code
9. Not Applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the SRC

As of March 31, 2007

Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt Outstanding
<u>COMMON SHARES</u>	<u>10,861,990,812</u>	<u>P 12.75 Billion</u>

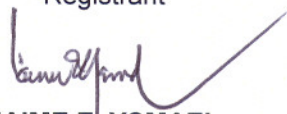
Indicate the item numbers reported herein : Please refer to attached letter

Re: **Office development in Sta. Cruz, Manila**

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

AYALA LAND, INC.

Registrant



JAIME E. YSMAEL

Senior Vice President, CFO,
and Compliance Officer

Date : July 18, 2007

July 18, 2007

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Mandaluyong City

Attention: **Director Justina F. Callangan**
Corporation Finance Department

PHILIPPINE STOCK EXCHANGE
4/F PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention: **Atty. Pete M. Malabanan**
Head, Disclosure Department

Gentlemen,

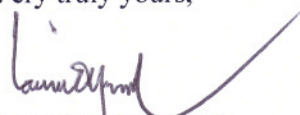
Further to our disclosure dated March 26, 2007, please be advised that Ayala Land, Inc. ("ALI") and Manila Jockey Club, Inc. ("MJCI"), collectively referred to as the "Parties", have executed the definitive agreements (i.e., Memorandum of Agreement and Joint Development Agreement) pertaining to the development of two office buildings with single-level retail development on a 1.1-hectare property of MJCI in Sta. Cruz, Manila, which was formerly part of the San Lazaro racetrack.

The Parties have agreed to jointly undertake the construction, financing, development and operation of the aforesaid Project, which is primarily targeted for lease to business process outsourcing ("BPO") firms and retail merchants. ALI will lease the said 1.1-hectare property from MJCI for a period of 25 years. ALI will be the development, marketing and lease manager for the office and retail spaces.

The estimated total leasable area of the buildings is approximately 42,500 square meters. Construction of the first building is targeted to commence this September 2007, with building completion projected on the fourth quarter of 2008. The development of the second building will depend on market conditions. The combined development cost of the buildings is estimated to reach over Php 2.5 billion.

For your information.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Jaime E. Ysmael', with a large, sweeping flourish at the end.

JAIME E. YSMAEL

Senior Vice President, Chief Finance Officer,
and Compliance Officer