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.	March 26, 2007			
	Date of Report (Date of e	Date of Report (Date of earliest event reported)		
2.	152747		050-000-153-790	
	SEC Identification Number	er	BIR Tax Identification Number	
4.	AYALA LAND, INC.			
	Exact Name of registrant	as specified in its charter		
5.	MAKATI CITY, PHILIPPI	·····	(SEC Use Only)	
	Province, country or othe incorporation	r jurisdiction of	Industry Classification Code	
7.	29/F, Tower One, Ayala	Triangle, Ayala Avenue, Ma	kati City 1226	
	Address of principal office		Postal code	
8.	(632) 848-5313			
	Registrant's telephone nu	mber, including area code		
9.	Not Applicable	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 December 31, 2006			
	Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt Outstanding	
COMMON SHARES		10,844,237,636	P 13.1 Billion	
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.

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AYALA LAND, INC.

Registrant

(original copy signed)

Date : March 26, 2007

JAIME E. YSMAEL Senior Vice President, CFO, and Compliance Officer

SEC Reg. No. 152747 SEC Sec. Code No. E-5000

March 26, 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,

Please be advised that today, March 26, 2006, Ayala Land, Inc. ("ALI") and Manila Jockey Club, Inc. ("MJCI") have agreed on the principal terms of a proposed office project on a 1.1-hectare property of MJCI in Sta. Cruz, Manila, which is formerly part of the San Lazaro racetrack. The project is intended to consist of two (2) office buildings with an estimated total leasable area of 40,000 square meters.

The parties have agreed to execute definitive agreements to implement the project within a period of sixty (60) days, subject to the fulfillment of certain conditions precedent, including the conduct by Ayala Land of a due diligence examination on the property and the project, as well as the approval of the respective boards of directors of the parties.

For your information.

Very truly yours,

(original copy signed)

JAIME E. YSMAEL Senior Vice President, Chief Finance Officer, and Compliance Officer