

Land Trust Alliance *Fact Sheet*



Conservation Buyer Transactions

Conservation Buyer Transactions or Programs are used by conservation organizations across the country as a way to protect properties in private ownership. By informing buyers concerned with conservation values about available properties with natural, cultural, historic, and agricultural resources, land trusts can help conservation buyers acquire such properties and ensure their long-term protection.

What is a “conservation buyer”?

A conservation buyer is a real estate buyer who appreciates the natural attributes of a property and who is willing to work with a land trust to protect these values with a conservation easement.

How does it work?

In a typical conservation buyer transaction, a land trust protects a property by identifying a buyer who is willing to purchase conservation land and subsequently donate a conservation easement on it to the land trust. There are many variations on these transactions, such as:

- the land trust purchases an option to buy a conservation easement from the buyer,
- the land trust has a strong enough relationship with the buyer to trust him or her to donate the easements.

- the land trust itself purchases the land and resells it to a conservation buyer, reserving an easement.

What are the challenges to a conservation buyer program?

Conservation buyer transactions often require fortunate timing and a nimble matchmaker to identify conservation-minded buyers and point them to conservation lands on the market. There are times when the needs of buyer, seller and land trust converge, and a conservation buyer steps up just in time to purchase and protect a high priority conservation property. Often, the match is more difficult to arrange, perhaps because of scarce buyers, too much or too little conservation land for sale, reluctant sellers, expensive land prices, or a lack of understanding among buyers, sellers or their professional advisors about conservation easements and conservation buyer programs.

Why go through a conservation buyer at all?

If a conservation buyer purchases land with an existing easement - then the purchase price is usually below the market value of surrounding property. But conservation buyer programs are not set up for the purpose of keeping purchase prices low. Generally, people who participate in these programs want to conserve land with particular natural attributes - they buy land (identified by a land trust) that has certain conservation values and then they donate an easement to the land trust - and in return will often receive the tax benefits associated with the donation.



Information Resources

The Learning Center resources are available to volunteers and staff of Land Trust Alliance member land trusts and partners and to individual members donating \$250 and above.

“Legal Viewpoint: The IRS and Conservation Buyer Transactions: Throwing the Baby out with the Bathwater?”, Exchange Winter 2005 (Vol. 24 No. 1) - http://learningcenter.lta.org/objects/view.acs?object_id=15788

“Law Update: The Conservation Buyer Dilemma: Structuring a Land Sale to Achieve a Conservation Easement Donation and Tax Deduction”, Exchange Summer 2001 - Vol. 20 No. 3) - http://learningcenter.lta.org/objects/view.acs?object_id=665

“Local Markets Shape Land Trusts’ Conservation Buyer Programs”, Exchange Spring 2002 (Vol. 21 No. 2) - http://learningcenter.lta.org/objects/view.acs?object_id=2871

“Conservation Buyer Program: Getting the Most Out of the Underutilized Protection Tool”, Rally Workshop B13 - http://learningcenter.lta.org/objects/view.acs?object_id=14200

“Legal Concerns for Conservation Buyer Transactions”, Rally Workshop 6C - http://learningcenter.lta.org/objects/view.acs?object_id=1081

“Conservation Buyer Transactions: Advanced Legal Issues”, Rally Workshop 1E - http://www.ltanet.org/objects/view.acs?object_id=982

“Conservation Buyer Form”, Willistown Conservation Trust Sample Document - http://learningcenter.lta.org/objects/view.acs?object_id=17959



Copyright © 2008, Land Trust Alliance

This document is one of a series of fact sheets and reference materials produced by the Land Trust Alliance. This publication is designed to provide accurate, authoritative information on the subject matter covered. It is offered with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal advice is required, the services of experienced professional advisors should be sought.

Revised May 2008.