

# Group forms co-op

DURHAM — After nearly a year of planning and preparations, Durham's first cooperative apartment building will have a full house of member-residents by the end of the month.

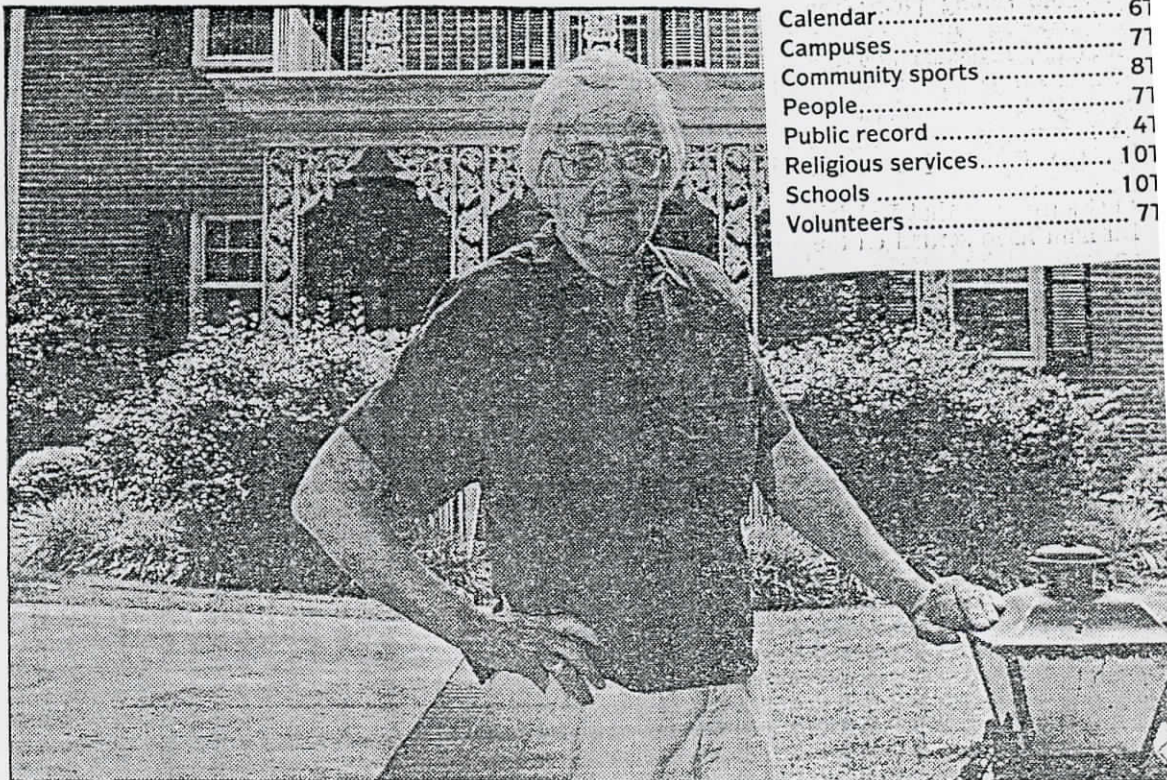
The Watts Street Co-op has filled its six apartments and will have to begin a waiting list for people intrigued by the housing concept that is popular in other parts of the country but is new to Durham, said Elizabeth Freeman, who founded the co-op.

"I have a number of people who have indicated an interest [in obtaining an apartment in the co-op]," Ms. Freeman said. They have to wait until somebody leaves. We will start a waiting list."

Each member of the co-op at 209 Watts St. pays \$7,000 for a share of stock and the right to rent one apartment. The rent ranges from about \$425 to \$550 a month and is mostly tax-deductible because it is essentially a mortgage payment. Each member has a vote in matters that affect the cooperative, such as rent structure, new members and maintenance.

Ms. Freeman, 68, originally joined the cooperative for older women. As she grew older, she said she wanted to live by herself in her own home but didn't want to be isolated. Ms. Freeman said she started thinking about a cooperative apartment for older women several years ago when she was president of the Older Women's League of Durham.

One of the things I saw as a need for older women have is companionship," Ms. Freeman said. "Because we own the building together and we maintain it together, we have to cooperate and have to meet."



Elizabeth Freeman has founded an apartment cooperative at 209 Watts St.

However, Ms. Freeman said, as the co-op began to develop, she and the initial members decided they would also like to have the company of younger people. The co-op now has male and female members who range in age from the late 30s to the 80s.

"We need the support," Ms. Freeman said. "I think I've gotten a group of people together who feel like they want to cooperate."

The first three members of the cooperative have become close friends, Ms. Freeman said.

It has really just been terrific," she said. "We go to the movies together, we have meals together, we go to plays and walk the dog together. We're just available to each other. It's a built-in support group."

The Watts Street Co-op is structured to keep rents affordable, Ms. Freeman said. A member may sell his share only for the amount he has invested plus some return for inflation.

"My idea of this apartment was to arrange it in certain ways that as people leave, it still remains

affordable," Ms. Freeman said. "This is what we call a limited equity cooperative."

The co-op's structure was also its attraction for the Center for Community Self-Help, which provided technical assistance and advice to Ms. Freeman and provided the building's mortgage through its Self-Help Credit Union.

"We're interested in cooperative ownership as a means of providing affordable housing," said David J. McGrady, associate director of the center.

Although most people are probably more familiar with the exclusive co-operatives in New York City, McGrady said low-income co-ops were becoming increasingly popular, especially in expensive cities such as Washington.

"In D.C. there are a lot of co-ops that are designed to try and keep units affordable," McGrady said. "In D.C. this is quite a common form."

McGrady said cooperative ownership also could become a means for low-income and middle-in-

come people in Durham to own their homes.

"It's pretty clear that housing values in the Triangle over the next 20 years are going to significantly increase," McGrady said. "I think it's a very interesting concept and I think if we have someone else took the lead in developing it, it could have a lot of impact in a low-income setting."

Because of the co-op's limited equity structure, the building could be a source of low-income and mid-income housing for years, McGrady said. He predicted rents could go down as the building's value rises and the mortgage is paid off.

"Most of these people aren't going to make a killing in the real estate market. They desire safe, secure housing that is affordable," McGrady said.

"If we decide to disband the cooperative," Ms. Freeman said, "we have a clause in our bylaws that says the Self-Help Credit Union has the first option to purchase it."

— SHARON PERKINS

## Co-op living

After nearly a year of planning and preparations, the Watts Street Co-op, Durham's first cooperative apartment building will have a full house of member-residents by the end of the month. **Page 2T.**

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