

By LINDA BAKER

PORTLAND, Ore.

SHELLEY FLYNN, a program director for Volunteers of America, had considered buying the two-bedroom house she had been renting in the southeast part of the city, but she worried about stretching her budget to pay the \$200,000 mortgage.

So last summer, Ms. Flynn, who is 32, bought a \$246,000 bungalow in the same neighborhood with her friend Janet Bartholomew, a sales manager at the Bullseye Glass Company, a glass manufacturer for artists and architects. Ms. Bartholomew's boyfriend, Woody Sleeper, shares the house with the two women as a renter.

"I realized that economically it would have been really challenging for me to buy a house alone, and even if I did do it alone I still would have had to take on roommates," said Ms. Flynn, who moved to Portland six years ago from Boston. "So why not look at doing it with friends, where there's at least a better chance of having a living situation that works?"

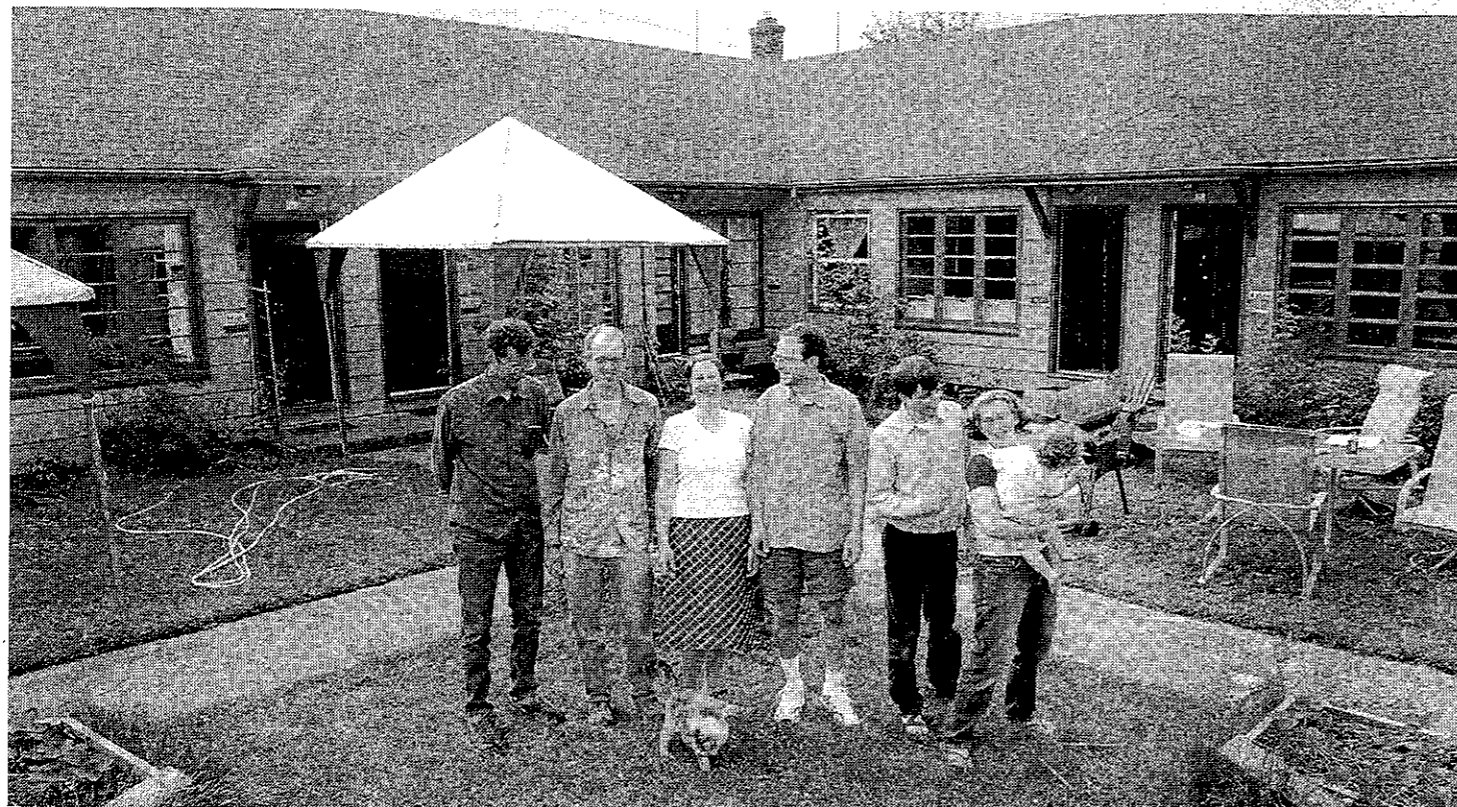
As housing prices in Portland enter a second year of double-digit appreciation, a growing number of first-time home buyers are seeking entry into the market by purchasing houses with friends. Although no exact figures are available, local realtors, mortgage brokers and other housing experts say co-ownership arrangements are springing up with increasing frequency.

"The cost of the market has gotten so high that many people are priced out if they buy alone," said Michelle Puggarana, a trainer with the Portland Housing Center, a non-profit group that connects buyers to housing options. At least two people in each of her bi-weekly workshops expresses interest in some kind of joint tenancy with friends, Ms. Puggarana said. "The reality is that we will see more and more of these types of purchases."

In the metropolitan Portland area, the median home price was \$230,000 in May, 12.7 percent higher than the price in the comparable month in 2004, \$204,000.

The trend toward co-ownership is also fueled by the city's high proportion of young adults, many of whom express interest in pursuing alternative, community-oriented lifestyles.

According to a recent study of migration by 25- to 34-year-olds, the Portland area ranks eighth in attracting that group — the top three cities are Las Vegas, Austin, Tex., and Phoenix — and it is fourth in attracting people in that age group with college degrees. The report — published in 2004 and



Photographs by Melanie Conner for The New York Times

NATIONAL PERSPECTIVES

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sponsored by the Portland Development Commission and the Westside Economic Alliance, an economic development association — says young adults like the city's distinctive neighborhoods, public transportation, bike friendliness and environmental ethic, as well as its open-minded, tolerant attitudes.

Ms. Bartholomew, who rented an apartment with Mr. Sleeper before buying her current home with Ms. Flynn, said she prefers communal houses. "In a romantic situation, you act as a unit," Ms. Bartholomew said. "When you're living with friends, you're more of an individual. It feels healthy, fresh."

Eli Spevak, 34, who develops affordable housing, and his friend Jim Labbe, 33, an urban conservationist with the Audubon Society of Portland, also fit the progressive Portland demographic. In 2003, the two men converted a run-down seven-unit apartment complex, Peninsula Park Commons, into an



affordable condominium community for their friends and acquaintances, including one couple with a 15-month-old child.

Mr. Spevak and Mr. Labbe sold the 630-square-foot one-bedroom units for around \$90,000 each; the 720-square-foot two-bedrooms went for about \$112,000. Mr. Spevak plans to build several three-bedroom units



FRIENDS AND CO-OWNERS

Janet Bartholomew and Shelley Flynn, above, bought a two-bedroom house, left, in the southeastern section of Portland last summer.

in a lot next to the existing complex, which is in a gentrifying neighborhood several miles northeast of downtown Portland.

Profit was not a motivator, he said. "We wanted to live among friends and informally share things like a canoe and lawnmower," he said.

Peninsula Park Commons is fronted by a

COMMUNAL LIVING

Condo residents include, left to right, Jim Labbe, Dan Miller, Amy Stork, Eli Spevak, Allan Folz and Carie Weisenbach-Folz holding her daughter, Cody.

landscaped courtyard featuring native plants, a vegetable garden and patio furniture where residents can gather to share evening meals.

A communal unit, which Mr. Labbe and Mr. Spevak set aside as a shared space for all residents, includes high-speed computer access, a discreetly covered television and a bedroom for out-of-town guests. Earlier in the week, Mr. Spevak said, residents held a T-shirt-making party in the common room to prepare for Pedalpalooza, an annual city-wide bicycle celebration.

Mr. Spevak and Mr. Labbe formed a limited liability corporation, Peninsula Park Commons, to buy and operate the complex, then converted the building into condominium units, which they sold to themselves and their friends.

In most cases when friends share a house, they follow standard home loan and payment procedures. "It's one of those places where lenders just don't care," said Julie Felsman, a senior loan consultant with Equity Home Mortgage in Portland. "They throw the income into one pot."

Ms. Felsman, though, did advise prospective buyers to talk to a lawyer and think about an exit strategy. "One party might get on someone's nerves or get married," she said.

Ms. Flynn and Ms. Bartholomew, who had discussed several "what if" scenarios but never put anything in writing, said the household weathered its first crisis a few weeks ago when Ms. Flynn broke with the threesome's vegetarian philosophy. "Shelley left a greasy chicken pan in the sink," Ms. Bartholomew said. "It was a blowout ordeal."

Portland residents who have remained in joint households for several years have benefited from the region's strong price appreciation. In 1999, Saima Gillette, a special-education teacher, bought a three-bedroom, \$140,000 house in North Portland — about a mile south of Peninsula Park Commons — with her married friends Tom and Shelley Butler. "I wanted to live in a community, and it seemed like a good way to invest money," said Ms. Gillette, who had contributed \$3,000 as a down payment.

When Ms. Gillette decided to move out last summer, the house had almost doubled in value. Her friends bought her out for \$30,000.

"Tom and Shelley had a baby last summer, and I said, 'O.K., I'm not into that,'" said Ms. Gillette, who now lives alone in a rented studio loft. "Things have their season."