

Meet Proportunity, the startup that wants to get you on the property ladder

As part of our quick fire questions series – or QFQs – we spoke to Vadim Toader, cofounder of Proportunity, a mortgage lender that allows homebuyers to purchase a property with only a 5% deposit.

What was the catalyst for launching Proportunity?

I launched Proportunity with my cofounder, Stefan Boronea, in 2016. The idea for Proportunity came about when my wife and I started thinking about buying our first home together. We quickly became disillusioned with estate agents and decided to take our own approach, researching the real estate factors that matter and finding a decent neighbourhood only 20 minutes away from the city centre and at a price that we could afford. Within the year, we were offered 60% more than the price we paid originally and we realised that if this data-driven approach worked for us, it would work for others.

Additionally, during this experience, I realised that the property market had fallen *behind the times* and was working against the buyer – prices for homes grew, while the borrowing system in its current state did not offer the support

that buyers needed to purchase their first, or even second property.

What is Proportunity?

Proportunity is a neolender that enables buyers to afford homes with only a 5% deposit, reducing the amount they need in savings. The Proportunity equity loan of up to £150,000 – or 25% of the house price – sits on top of the maximum mortgage that can be secured from a mainstream lender, enabling a buyer to borrow up to six times their income level. This additional financial leverage closes the significant gap between what many UK borrowers can secure from a mortgage and the cost of a home they wish to purchase.

Using our AI technology, Proportunity also provides key insights on where the hidden gems are in an expensive metropolitan area. The end goal is simple – we want to make home ownership possible and affordable, helping people take their first steps onto the property ladder.

How has the business evolved since its launch?

Proportunity was founded in 2016. We've evolved from two cofounders in a warehouse with a PowerPoint, to creating a solution for first time buyers, becoming the top rated UK neolender with 35 employees, getting authorised by the FCA, and raising \$170M. We have, and continue to, help hundreds of customers and we are growing exponentially and are primed to become the preferred solution by first time buyers in the UK.

We are currently fighting to help 1M people become homeowners by 2030.

What has been your biggest challenge so far?

I would say that our biggest challenge so far has been raising debt investment without a previous track record. However, that is now behind us and we have

now completed three funding rounds, with the latest coming to \$140M.

How does Proportunity answer an unmet need?

Proportunity helps first-time buyers and 'second steppers' climb the property by addressing two of the most common hurdles faced by them – financing and finding the right property. The biggest financial problem for 70% of UK first-time buyers is that they can't save a big enough down payment. On top of that, their salaries are not usually high enough to take out a mortgage that covers high urban property market prices.

Our equity loan boosts buyers' deposit savings, so they can own a home today for less per month, or even afford to buy a better home. This fast tracks most buyers by five years, as saving for a deposit while renting is nearly impossible in large cities. By increasing the down payment, this increases the range of mortgages that homebuyers can apply for and reduces their monthly mortgage payments.

We also use AI-powered home valuation algorithms to help homebuyers make their purchases based on data-driven decision making, which means that the property they end up buying is not only the perfect home for them, but also a great investment. Our home finding platform helps buyers navigate the UK's expensive metropolitan markets to find the hidden property gems.

What's in store for the future?

Our mission is to unlock the future of home financing to meaningfully improve the lives of millions of people across the UK – we have already helped finance £81M worth of homes to date and our next goal is to help 1M people afford their home. We're also hard at work to change the way people buy and make it as affordable as renting.

What one piece of advice would you give to future founders?

Trust and respect are earned, not given. Not everyone deserves both or either and you should always look at building long-term meaningful business partnerships with people you trust rather than spend time and energy on the ones you don't.

Vadim Toader is cofounder at *Proportunity*.

Article by KIRSTIE PICKERING