Atlanta's privatized affordable housing startup PadSplit raises $4.6M

Have suggestions for products that you'd like to see reviewed by our real estate technology expert? Email Craig Rowe.

With the goal in mind of alleviating the challenges of homeownership and adequate housing alternatives, an Atlanta-based company has raised a seed round of $4.6 million to help people share in the cost of living in a home.

PadSplit's model helps multiple people "split" the burden of residential occupancy, providing each participant with a bedroom and shared living space. Payments are centralized to ensure equal financial commitment, and homes are owned by private parties willing to partner with PadSplit.

The fundraising was led by Core Innovation Capital. Other investors include Cox Enterprises, Kapor Capital, Techstars Ventures, 1984 Ventures, The Impact Engine, Metaprop and Enterprise Community Partners.

Core Innovation Capital's Arjan Schütte and Kathryn Petralia from Kabbage are now members of the PadSplit's board.

The company, founded in 2017, is focused on the workforce economy. Applicants average an annual income of $21,000, and personal savings as a result of working with PadSplit have been reported as high as $460 per month, the company said in a press release.

Who has time for conferences? You do!

5 five reasons why you should invest your time in industry events READ MORE

The release also stated that PadSplit's homeowner partners are achieving net income increases of 60 percent.

"We believe that the people who serve our communities also deserve to live in our communities," said PadSplit founder Atticus LeBlanc. "We have to align incentives across stakeholders, including residents, cities and real estate investors," he said.

LeBlanc's professional history is rooted in developing and managing affordable housing projects, during which he had significant experience working with common, and often problematic, government subsidy programs.

PadSplit's intent is to privatize affordable housing and provide more incentive for property owners to offer rentals to those who qualify.

The company will also work with an Opportunity Zone fund to develop PadSplit properties in multiple Atlanta markets.

The press release stated, "the fund will build new homes for permanent affordable housing that will be held for 10 years and managed under the PadSplit model."

"The creation of affordable housing with a scalable model like this is an incredibly powerful tool," said Arjan Schütte of Core Innovation Capital "We're excited and honored to be part of PadSplit's mission."

Have a technology product you would like to discuss? Email Craig Rowe

Source: click here