



Strive Real Estate's Debt-Free Stabilization Strategy and Pre-Development Equity Commitment

Strive Real Estate was founded on a core belief that affordable housing must be both socially impactful and financially durable. Too often, well-intentioned projects are constrained by excessive permanent debt, volatile interest rates, and ongoing rent subsidies that place long-term strain on operations and residents alike. Strive's development model intentionally addresses these challenges by combining sponsor-funded pre-development equity with donor-related construction capital, allowing projects to reach stabilization with little to no permanent debt.

Strive demonstrates its commitment at the earliest stages of each project by fully funding pre-development activities with sponsor equity. This includes site control, feasibility analysis, architectural design, engineering, entitlement and zoning approvals, environmental review, community engagement, legal structuring, and lender and agency coordination. By placing its own capital at risk upfront, Strive ensures that each project advances to a meaningful and verifiable milestone—fully entitled, fully designed, and shovel-ready—before any construction funding is sought from donors or mission-aligned partners.

This approach serves as a critical risk-reduction mechanism for donors and impact investors. Construction capital is not requested to prove feasibility or fund speculative work; it is deployed only after the project has cleared key regulatory, design, and readiness thresholds. Donor dollars are therefore used efficiently and exclusively for vertical construction, where they have the greatest and most durable impact.

Once projects reach shovel-ready status, Strive applies philanthropic capital, program-related investments (PRIs), donor-advised fund (DAF) contributions, and mission-aligned impact dollars directly toward construction costs. This strategy materially reduces—or fully eliminates—the need for permanent debt. As a result, properties enter stabilization with a clean balance sheet, predictable operating expenses, and significantly lower break-even rents.

Debt-free stabilization enables Strive to maintain deeply affordable rents without reliance on ongoing operating subsidies. With no debt service burden, rental income can be directed toward property operations, reserves, resident services, and long-term capital

needs rather than interest payments. This structure preserves affordability regardless of future funding cycles, interest rate volatility, or changes in public subsidy programs.

Importantly, this model also supports reasonable and responsible returns for impact-aligned investors. Returns are generated through disciplined development, cost certainty, and stabilized cash flow—not through rent escalation or tenant burden. Investors benefit from lower risk, stronger downside protection, and alignment with measurable social outcomes, including housing stability, community revitalization, and long-term asset preservation.

From a stewardship perspective, donor-related construction funds achieve multiplied impact. Each dollar replaces permanent debt that would otherwise extract value from the property year after year. Donors are not filling financing gaps; they are permanently underwriting affordability, resilience, and sustainability. Strive's upfront equity commitment further ensures that donor capital is deployed into projects that are fully vetted, fully entitled, and ready to perform.

Strive Real Estate's integrated model—sponsor-funded pre-development equity paired with donor-funded construction and debt-free stabilization—represents a disciplined, scalable solution to affordable housing delivery. By aligning risk, capital, and mission at every stage of development, Strive ensures that each property becomes a stable, community-anchored asset capable of serving residents for generations to come.