Funding a Home Staging Business Purchase

A quick guide for buyers

Most first-time buyers assume they need the full asking price sitting in their account. In many acquisitions, buyers bring a portion of the purchase price and finance the rest. The business's cash flow is what supports the loan payments over time, the same way rent or income supports a mortgage payment.

That doesn't mean every deal is financeable. It means the funding plan is part of the purchase plan, and it's worth thinking through early - before you fall in love with a specific opportunity.

How business purchase financing usually works

A typical acquisition is funded with a mix of:

- **Buyer cash** (down payment and closing costs)
- **Financing** (bank loan, SBA-backed loan for U.S. buyers, investor capital, or a combination)
- Sometimes, **seller financing** layered in (this is what we call a seller note)

The exact mix depends on the business's financial performance, the buyer's profile, and the lender's requirements.

If you're new to staging, the lender will also care about operations: who is running the business day-to-day and how stable the business will be once the seller steps back.

Common funding paths

1) Cash

Cash purchases are the simplest mechanically, but buyers still need to plan for operating cash after close. Staging businesses have ongoing costs that don't pause just because ownership changed, including but not limited to warehouse expenses, labor, repairs, replacements, and day-to-day operating spend.

2) Bank financing

A bank loan funds a portion of the purchase price. The buyer brings the down payment and the business's earnings are used to repay the loan over time. If the business can't support the debt payments and still operate comfortably, the loan becomes harder to secure.

Bank financing usually adds steps and documentation, so it can impact the purchase closing timeline.

3) SBA-backed loans (U.S. buyers)

In the U.S., SBA-backed loans are a common option for acquiring an established small business. The buyer works with an SBA lender or a bank that offers SBA lending. It's still a bank loan. The SBA program can make lenders more comfortable in certain acquisition scenarios, but it comes with documentation requirements and a process.

If you're a U.S. buyer, this is worth discussing with your bank or an SBA lender early, even before you submit an LOI.

4) Investor/partner capital

Some buyers bring in an investor or partner to fund part of the purchase. This can be a fit when one person is the operator and another provides capital. It works best when roles are clear and decided upfront: who runs the business, who approves major decisions, and how returns are paid.

5) Seller note (seller financing)

A seller note means the seller finances a portion of the purchase price and is repaid over time. This often shows up when bank financing doesn't cover the full purchase price or when the buyer wants to reduce cash at close. From a seller's perspective, this is real risk, so buyers should expect the seller to care about repayment ability, reporting, and the buyer's credibility.

6) Hybrid (most common in real deals)

Many acquisitions use a combination (for example: bank loan + buyer cash + a smaller seller note). The goal is a structure that closes, can be repaid, and doesn't starve the business of operating cash.

What lenders typically want to see

Different lenders ask for different things, but most will look for the same themes:

A financial story that holds up.
They want to see the business produces consistent earnings that can support debt payments.

A buyer plan that makes operational sense.
Who is running the business day-to-day? What experience do you bring that reduces operational risk?

Documentation that supports the deal.
Financing takes longer when documents are scattered or unclear. Organized information speeds the process.

A timeline that isn't wishful thinking.
Financing can be a parallel track during due diligence, but it still takes time.

What your bank will likely ask you for

You don't need this on day one, but you should expect to provide it once you move forward:

- A summary of the opportunity (often the seller's prospectus/overview package)
- Financial statements for the business (often 2–3 years) and how earnings are calculated
- Your personal financial information and credit profile
- Your resume and operating plan (who operates, how you'll manage the business)
- Proof of down payment funds and any investor/partner details
- A basic timeline (LOI → due diligence → close) and key conditions (financing approval, lease assignment, etc.)

How to be “funding-ready” as a buyer

A strong baseline looks like:

- A short buyer intro (who you are, why staging, and how you’ll operate the business)
- A funding direction (cash / bank / SBA for U.S. buyers / investor / hybrid)
- A realistic timeline (when you can submit an LOI and begin diligence)
- A plan for operating cash (so the business isn’t strained after close)

Final Note

The funding plan is part of being a serious buyer. Sellers can work with a buyer who is still learning the industry. Sellers struggle with buyers who want deep information but can’t explain how they plan to purchase.

If you’re early in the process, one of the most useful next steps is a short conversation with a bank or SBA lender about what you could qualify for and what they’ll require. It saves time later.