generate a combined analysis of the business + real estate acquisition showing total debt service, blended DSCR, and ROI.

Combined Business + Real Estate Acquisition Analysis

Deal Summary:

• Business Purchase Price: \$500,000

• Real Estate (Adjusted Market Value): \$387,220

• Total Acquisition Price: \$887,220

Financing Assumptions:

• **Down Payment**: 20% → \$177,444

• Financed Amount (Loan): \$709,776

• Interest Rate: 7%

• Loan Term: 10 years (amortizing)

• Monthly Debt Service: \$8,241

• Annual Debt Service: \$98,893

Key Metrics:

Metric Value

Seller's Discretionary Earnings (SDE) \$229,235 **Annual Debt Service** \$98,893

Blended DSCR ($SDE \div Debt$) 2.32x (Healthy)

Equity Investment \$177,444

Annual ROI (SDE ÷ Equity) 129.2% (Very Strong)

Interpretation:

- **DSCR of 2.32**: This indicates ample coverage of debt obligations. Anything above 1.5x is generally considered safe; >2.0x is strong.
- **ROI of 129%**: Very high, driven by relatively low equity required and strong cash flow. This suggests exceptional return potential.
- The deal's viability is enhanced by correcting the inflated real estate valuation to a marketaligned figure.

W Bottom Line:

This is a **financially strong acquisition** if purchased at the adjusted real estate value. The business generates **more than double** the cash flow needed to service the debt, with room for operational growth and upside.