Investing and small development

For investors and developers · about 4 minutes · reviewed August 21, 2026

What is allowed on the parcel, what is approved next to it, and the three obligations that change an underwrite after close.

THREE QUESTIONS THE RECORD ANSWERS BEFORE AN UNDERWRITE

What is allowed on this parcel, what is approved next to it, and which obligations transfer with it. All three are public, all three change a number, and all three are commonly discovered after close.

WHAT IS ALLOWED HERE

The report gives the zoning district and the height limit from the Planning department's own layers, plus historic status where it applies. Those set the envelope. It also gives the Assessor's unit count, which is the figure against which any addition is measured.

Read the historic line carefully. A building in a district or on a survey carries a review process that is a schedule item and a cost item, not a formality.

WHAT IS APPROVED NEXT DOOR

The development pipeline section lists projects filed nearby and the net new homes they would add. For an investor this reads two ways at once: supply arriving in your submarket, and the proof that entitlement is achievable on this block. Both matter, and they point in opposite directions.

THE THREE OBLIGATIONS THAT MOVE A NUMBER

1. Rent control. The single largest one. A building with a certificate of occupancy before 13 June 1979 is presumed under the Rent Ordinance's price controls, and the report says so and gives the reason. Note the two protections are separate: Costa-Hawkins commonly exempts single-family homes and condominiums from the rent cap while just-cause eviction protection still applies. Underwriting one and inheriting the other is a familiar and expensive mistake.
2. Soft-story retrofit. Wood-frame, five or more units, three or more storeys, permitted before 1978. The report gives the compliance tier and the exact status. Non-Compliant is a capital item with a deadline, not a maintenance item.
3. The Maher ordinance area and mapped hazard zones. A parcel in the Maher area carries a soil investigation requirement on certain work. Liquefaction, landslide and flood zones can each change what a project must do. The report names which apply; what each costs is your engineer's answer, not ours.

THE ASSESSMENT IS NOT THE VALUE, AND IT IS ABOUT TO CHANGE

Under Proposition 13 the assessment is anchored to the last transfer and rises by at most about two per cent a year. A long anchor means the seller's tax line is nothing like yours: your basis is what you pay. Model the reassessment, not the current bill. The report shows the anchor and how many years it has held, which is the input.

Where a third-party market estimate is available it appears clearly labeled as that provider's, with their range. It is never restated as ours and should not be used as a valuation.

PERMITS AS A SIGNAL

The permit history tells you what has been declared and when - and, by its absence, what has not. A building with decades of small permits reads differently from one with none. Two specifics worth pulling out:

- Open permits transfer with the building, and closing somebody else's unfinished paperwork is a real cost.
- The gap between the permit record and the physical building is where unpermitted work lives. It affects insurance, financing, and what you are allowed to keep. On a value-add thesis it is the first thing to price.

READING THE AREA FOR A HOLD, NOT A VIEWING

Two controls matter more here than anywhere. Widen the radius - a submarket is not a thousand feet - and lengthen the years to see a full cycle rather than a recent stretch. The comparison stays honest at any setting: every count is set against an average San Francisco area of the same size, which is arithmetic about record density and not a verdict about a place.

> **Note**
> Re-running with a different radius or period spends one from the allowance; re-opening a report you have already run never does. On the daily plans the ceiling resets overnight, which suits a portfolio sweep.

CHECK THE OFFERING MEMO'S RENTS AGAINST THE FILINGS

The rents section includes a rent-roll check: paste the memo's claimed rents, one per line, and each is placed against the distribution reported to the Rent Board nearby - including whether it sits above the median of tenancies begun since 2020, which is the honest comparison for a figure claiming to be today's. Arithmetic about filings, never a verdict on the deal.

SOURCING FROM THE ROLL RATHER THAN THE LISTINGS

Two newer sections do the prospecting arithmetic from the Assessor's own roll. What changed hands nearby lists the parcels within your radius that transferred recently, with the post-transfer reassessment labeled honestly for what it is. And on the plans with the filing lists, the anchor screen takes a neighborhood and returns its long-held multi-family parcels - units, anchor years, open notices and whether a homeowner's exemption is on file - three public facts side by side, exportable as CSV, and never ranked for you.

READ THE RECORD ON AN ACTUAL ADDRESS

Everything described in this guide comes out of one report on one San Francisco address. Type an address at scantheblock.com and it takes a few seconds; re-opening a report you have already run is free, always. Reports are a web page and a PDF you can share, and every figure carries the caveat that qualifies it.

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ABOUT THIS GUIDE

Last reviewed August 21, 2026. Every rule described here is San Francisco's, not ours, and the city changes them - where a date or a threshold matters to a deal, confirm it against the city. This is general information about public records and not legal, tax or investment advice.

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