Ask any Los Angeles home builder what type of multifamily building dominates new infill projects, and you will hear the same phrase again and again: 5 over 2 construction. If you spend time around Koreatown, Hollywood, North Hollywood, or the Westside, you see it constantly, even if you do not know the name for it.

From the developer's side, 5 over 2 has become the default answer to a hard equation: how do you fit the most safe, code compliant homes on a pricey urban lot without blowing the budget on high rise concrete? From the resident's side, it is the familiar mid rise apartment building with parking or retail at the bottom and four to five levels of wood framed homes above.

This article walks through what 5 over 2 construction actually is, why Los Angeles embraces it, what it means for seismic and fire safety, and how it compares cost wise to other ways of building. Along the way, I will weave in what current clients are asking about: whether it is cheaper to build or buy in 2026, how far a budget of 200,000 to 400,000 dollars really goes, what size house you can build for 250,000 dollars, and how to think about the 7 stages of construction on any project, not just 5 over 2.

What is 5 over 2 construction?

In code language, 5 over 2 is a hybrid building. The lower levels are concrete or steel, classified as Type I or Type II construction. Above that sits a stack of wood framed residential floors, typically Type III or Type V.

In ordinary terms, 5 over 2 usually means:

- Two levels of concrete structure at the base, often for parking, lobbies, amenities, and retail.
- Up to five levels of wood framed apartments above that concrete podium.
- One combined building that stays under high rise thresholds but delivers mid rise density.

You may also hear people say 5 over 1, 4 over 2, or "podium construction." The idea is the same. A heavy, noncombustible podium handles seismic and fire loads at the street level, and a lighter, more economical wood frame above carries the actual homes.

Los Angeles Los Angeles kitchen Remodeling Joel & Co. Construction zoning and building codes are written in a way that makes this approach attractive. It exploits the maximum height and floor count allowed for wood framing, while still qualifying as a mid rise, not a high rise, under California code. That difference matters, because true high rise rules trigger far more expensive structure, egress, and fire protection requirements.

Why Los Angeles loves 5 over 2

If you walk a client through the options for a 40 to 150 unit urban site, 5 over 2 rises to the top for three main reasons: cost per square foot, speed of construction, and code flexibility.

On cost, a Los Angeles home builder who works in both wood and concrete will tell you that a pure concrete mid rise is significantly more expensive per square foot than a podium plus wood frame. Numbers move around with labor, tariffs, and material swings, but the pattern holds. The concrete podium is the "expensive" part; the wood above is comparatively efficient. As long as the project team designs the structure smartly, this hybrid keeps you away from the structural gymnastics that start driving budgets into high rise territory.

On schedule, a 5 over 2 building can be framed surprisingly fast. You spend more time on the podium up front, because shoring, excavation, and formwork in Los Angeles soils are not trivial. Once you come out of the ground, though, wood framing goes quickly. Panelized or modular components can accelerate it even more. When you

compare a 7 story all concrete structure to a 2 story concrete podium with five wood levels, the hybrid almost always finishes sooner.

On codes, especially after the 1994 Northridge earthquake and subsequent code changes, Los Angeles inspectors pay close attention to seismic and fire design. Podium construction gives them a familiar, proven pattern. Structural engineers can design predictable lateral systems, fire marshals like the separation between the noncombustible podium and the wood above, and building officials know how to review it. Everyone speaks the same language.

Safety, seismic design, and “the biggest killer in construction”

When people hear “wood over concrete,” they sometimes ask whether a 5 over 2 building is safe in a strong earthquake, or whether fire is a greater risk. The honest answer is that, when designed and built to modern codes and inspected correctly, these structures hold up well in Los Angeles conditions. The real ongoing threat in construction is usually not building collapse but on site safety.

From decades of accident data, the biggest killer in construction is falls. Not seismic collapse, not crane failure, but workers falling from heights, openings, or scaffolding. On 5 over 2 projects, a good builder focuses relentlessly on fall protection through guardrails, harnesses, safe access routes, and clean, debris free work surfaces. It is not glamorous, but it saves lives.

On seismic safety, the concrete podium is your anchor. It sits on a foundation system designed for local soils, with shear walls, moment frames, or other lateral systems that carry earthquake loads. The wood structure above is lighter, which actually helps in a quake. Proper diaphragm design, hold downs, and connections keep the whole stack behaving as a single unit rather than a pile of independent boxes.

Fire risk is addressed through sprinklers, rated floor and wall assemblies, and careful detailing at the interface between podium and wood frame. Los Angeles fire code officials are deeply familiar with this product type. If anything, the challenge is not convincing them it works but keeping up with evolving requirements.

Cost realities: how much can you build for 100,000 to 400,000 dollars?

Many homeowners call a Los Angeles home builder first, then talk to their lender. They come in with round numbers in mind and ask questions like:

- Is 100,000 dollars enough to build a house with Los Angeles Home Builder?
- Is 200,000 or 300,000 dollars enough to build a house with Los Angeles Home Builder?
- Is 400,000 dollars enough to build a house with Los Angeles Home Builder?
- What size house can I build for 250,000 dollars with Los Angeles Home Builder?

The cost structure of a 5 over 2 multifamily project looks different from a single family home, but the same fundamentals show up: land, soft costs, and hard costs. In Los Angeles, hard construction alone for decent quality residential work, as of the mid 2020s, often falls in a broad range that starts in the mid 200s per square foot and can climb well above 400 dollars per square foot for complex urban conditions, high finishes, or tight sites. Podium projects sometimes trend higher because the concrete base is inherently expensive.

For a free standing house, or a small barndominium type structure in an outlying area, those budgets stretch further. But in central Los Angeles, 100,000 dollars in total construction budget might realistically deliver only a small accessory dwelling unit shell, a substantial remodel, or early design and permits for a future build, not a full

new house. It is very difficult to deliver a full, code compliant, ground up single family home in the city itself for that number.

At 200,000 to 250,000 dollars, clients often ask, “How big of a house can I build with 250,000 dollars?” or “What size house can I build for 250,000 dollars with Los Angeles Home Builder?” If we assume a modest finish level and a relatively straightforward lot outside of the toughest hillside or coastal zones, you might target somewhere in the ballpark of 600 to 1,000 square feet of living area at that budget, depending on site conditions, fees, and whether you self perform any work. That might mean a compact 2 bedroom accessory unit or a small primary home in a lower cost jurisdiction near Los Angeles, not a full sized 2,000 square foot family house on a tricky infill site.

Once you reach 300,000 to 400,000 dollars for construction only, you can start having realistic conversations about a full sized house in the 1,200 to 1,800 square foot range in many areas, assuming you keep a tight rein on design, make good structural choices, and avoid heavy retaining walls or deep foundations. At that level, it becomes more credible that a Los Angeles home builder can assemble a team, push through the 7 stages of construction, and give you a complete home rather than a partial build.

Any number here needs to be treated as a planning range, not a quote. Market swings, Trump era and later tariffs on steel and some imported materials, local impact fees, and simple availability of labor can easily move those numbers 10 to 20 percent in a year. When clients ask whether Trump’s tariffs are hurting new home construction now, the honest answer is that their direct effect on wood frame and podium construction materials is smaller today than at their peak, and labor and lending conditions now weigh more heavily. Still, they contributed to an overall pattern of price inflation that never fully rewound.

How much does it cost to build a 2,000 square foot house in 2025?

The question comes up constantly: how much does it cost to build a 2,000 square foot house in 2025 with Los Angeles Home Builder? For a typical, code compliant single family home in greater Los Angeles, not a bespoke hillside marvel, it is helpful to think in ranges and scenarios.

If you have a relatively flat lot, no deep utilities problems, and a willing city, a 2,000 square foot home with mid level finishes might land somewhere between the mid 500,000s and the 800,000 dollar range in total construction cost by 2025 to 2026. Some projects slip under that band, some sail above it. Finish choices, structural complexity, and local fees can easily swing the outcome by six figures.

Clients sometimes compare this to quotes they hear for Amish builders in other states, asking how much Amish charge to build a house and whether that model applies in California. In general, those very low per square foot Amish numbers you see online assume inexpensive rural land, simpler codes, less seismic design, and lower labor costs. They are not a fair benchmark for Los Angeles.

The other recurring comparison is the barndominium idea. People ask how big of a barndominium they can build for 100,000 dollars and whether a steel shell with simple finishes can shortcut Los Angeles costs. In very rural counties with minimal seismic requirements and cheaper permitting, you might get a simple, modest size barndominium shell in that budget. In or near Los Angeles, by the time you layer in foundations, utilities, energy code, fire sprinklers, and interior buildout, that same 100,000 dollars buys far less.

Is it cheaper to build or buy in 2026?

For 2,000 square foot homes, a common question is whether it is cheaper to build or buy a 2,000 square foot house with Los Angeles Home Builder or just purchase an existing property. Looking ahead, clients also ask, “Is it

cheaper to build or buy in 2026?" and "Is it better to build or buy a house in 2026?"

The right answer depends on three things: land cost in your target area, the condition and layout of existing inventory, and your tolerance for construction risk.

If you own land already, or you are buying a very underbuilt property, new construction can make sense, especially if existing homes near you are dated, poorly insulated, or chopped into odd room layouts that are expensive to fix. A clean, modern, efficient layout has long term value in operating costs and quality of life.

If you must buy land at market price, and existing 2,000 square foot houses nearby are trading below the all in cost to build the same structure, then buying often wins on raw dollars, at least for the next decade. New construction brings intangibles, but you pay for them.

On 5 over 2 multifamily projects, the build versus buy decision looks different. Developers ask whether it is cheaper to buy a stabilized 70 unit building or to build one from scratch. In the Los Angeles infill market, land constraints, rent control, and the difficulty of clearing existing tenants often tilt the equation toward new construction on underutilized or commercial sites rather than repositioning an occupied older building. But the math is hyper local.

When clients ask whether building costs will go down in 2026, I caution them not to plan around a big drop. Prices may flatten as supply chains stabilize and interest rates shift, but labor in Los Angeles seldom gets cheaper in absolute terms. A modest cooling may happen; a full reversion to past per square foot costs is unlikely.

The 7 stages of construction and where 5 over 2 fits

Whether we are building a 5 over 2 podium structure or a custom home, I usually explain the 7 stages of construction with Los Angeles Home Builder as a loose sequence. Terminology varies by builder, but the correct

order of construction follows a familiar rhythm:

First comes preconstruction: feasibility, budgeting, and schematic design. Second is design and permits, where architects, engineers, and consultants lock in drawings and navigate plan check. Third is sitework and foundation, from demolition through utilities and excavation. Fourth is the structure stage, which for 5 over 2 means pouring the podium, then framing the wood above.

Stage 5 in construction is usually where the building starts to feel like real space. In our shop, that means rough mechanical, electrical, and plumbing, plus windows and weatherproofing. You see ducts, pipes, and wires going in. Inspections intensify, and coordination matters. Sloppy planning at this level can blow schedules.

After that, stage 6 is insulation and drywall, where the interiors take shape. Level 4 in construction is a term finishers use to describe a particular drywall finish quality suitable for most painted walls. In 5 over 2 projects, level 4 is standard for corridors and units unless a designer wants a higher level for special feature walls.

Stage 7 is trim out, finishes, punch list, and occupancy. Even though everyone is tired by this point, attention to detail here is what tenants and buyers actually see.

A 5 over 2 building simply stretches those stages vertically. Sitework and podium work can take months, especially if shoring or subterranean parking are involved. Once the podium is done, the wood framed levels move through the stages faster, often staggered by floor. Coordinated scheduling and materials logistics become crucial.

What are the four main types of construction?

Understanding 5 over 2 also means understanding how codes classify buildings. The four main types of construction people usually refer to in conversation are:

Type I: Fire resistive, almost entirely noncombustible materials, typically concrete and protected steel. High rises use this.

Type II: Noncombustible but with somewhat less fire resistance than Type I. Often light steel or tilt up concrete.

Type III: Exterior walls noncombustible, interior allowed to be combustible. Many urban mixed use buildings fall here.

Type V: Combustible construction, usually wood framed throughout. Typical for single family homes and smaller multifamily.

Our 5 over 2 building usually places a Type I or II concrete podium at the base and a Type III or V wood frame above. That hybrid is the heart of why developers like it: you get some of the performance of heavy construction without paying for it all the way up.

Timing, hidden costs, and lowering your building budget

Another thread that always comes up on 5 over 2 jobs and custom homes alike is timing. Clients ask what is the best time of year to build a house with Los Angeles Home Builder, what is the cheapest month to build a house, and more generally, what is the best time of year to build.

Southern California does not have the harsh freeze cycle that shuts down construction in other regions, but we do have winter rain. Starting heavy earthwork or framing right before the rainy season can slow you down and add weather protection costs. If you can break ground in late winter or spring, get foundations and podium done in dry conditions, and frame through summer and early fall, you usually get a smoother ride. Suppliers sometimes

run promotions in slower months, but the “cheapest” month varies and the savings are modest compared to the overall budget.

Hidden costs surprise more people than weather. They show up in both 5 over 2 and single family projects, and they can sink a tight budget if not discussed early.

Common hidden or underestimated costs include:

- Utility upgrades, including off site work that the city or utility company requires you to pay for.
- Sitework such as retaining walls, soil remediation, or additional shoring required once excavation begins.
- City and agency fees, from school fees to traffic mitigation, often tied to square footage or unit count.
- Change orders that flow from incomplete design, late decisions, or unforeseen field conditions.
- Financing costs, such as loan fees and interest carry, which rise sharply if schedules slip.

When homeowners ask how they can lower home building costs, we usually start with three levers. First, simplify the design and shape of the building; complicated jogs, cantilevers, and structural gymnastics on a tight Los Angeles lot add dollars quickly. Second, control finish choices and stick to them; shifting materials midstream is a change order factory. Third, respect the 30 percent rule in remodeling. As a loose guideline, if remodeling costs push past roughly 30 percent of the value of the home and you are still dealing with serious layout, system, or structural issues, it may be time to ask whether it is cheaper to gut a house or rebuild it with Los Angeles Home Builder instead of pouring new money into a compromised shell.

On older buildings, especially those not originally designed for current seismic or energy codes, the question of whether it is cheaper to gut a house or rebuild it is very real. A deep gut that triggers full code upgrades can end up costing close to new construction, while still leaving you with some legacy constraints. Other times, the existing shell offers enough value in foundations, framing, setbacks, or grandfathered conditions that a gut renovation is clearly the better play.

Is it cheaper to hire a builder or piece it together yourself?

Occasionally a client will ask whether it is cheaper to hire a builder to build a house with Los Angeles Home Builder or to act as their own general contractor, hiring trades directly. On paper, cutting out a builder’s overhead and profit markup looks attractive. In practice, owner builders in Los Angeles often run into three realities.

First, professional subcontractors prioritize stable, repeat relationships. A one time owner builder has less leverage on pricing and scheduling than a Los Angeles home builder who sends steady work. Second, coordination and sequencing are harder than they look, especially on complex projects like 5 over 2. If inspections fail or trades clash, delays chew up any apparent savings through financing costs and rework. Third, warranty and liability fall squarely on the owner. If something fails and trades point fingers at each other, the owner is stuck in the middle.

There are projects where an owner builder model works, particularly simple rural homes or modest accessory units for clients with construction experience. For podium multifamily work and most urban homes, hiring a seasoned builder usually delivers better value, even if the contract price is higher than the sum of the lowest sub bids.

Where 5 over 2 fits in the larger Los Angeles housing picture

5 over 2 construction will not solve all of Los Angeles’s housing problems, but it has become one of the few reliable formats for producing mid density, code compliant, financeable housing at a cost that pencils for both developers and lenders. It sits between the single family home and the high rise, and it uses a pragmatic blend of concrete and wood to respect both seismic demands and budget limits.

For individual homeowners weighing whether to build, buy, remodel, gut, or even move farther out and build a barndominium style structure, the lessons from 5 over 2 still apply. Structure and sitework are often the most expensive part of building a house, not the tile or faucets people like to obsess over. The most expensive part of building a house is usually the combination of foundation, concrete or steel, framing, and mechanical systems, especially on difficult urban lots. Design discipline, realistic budgeting, and early acknowledgement of hidden costs matter regardless of project type.

Whether you are eyeing a 70 unit 5 over 2 project near a transit stop or a 2,000 square foot custom home on a hillside, the same questions keep coming back: What does it really cost in this market, on this site? Will costs go down enough in 2026 to justify waiting? What is the right order of construction, and how do we keep stage 5 from derailing the schedule? And perhaps most importantly, which trade offs are you willing to make between size, finish level, location, and long term operating costs?

A good Los Angeles home builder does not just pour concrete and frame walls. They help you navigate those questions honestly, using what has worked and what has failed on past projects, whether they were wood framed homes in the Valley or full 5 over 2 podiums in Koreatown. That is the real value of experience in a city where building is both an art and a high stakes numbers game.

Joel & Co. Construction
11693 San Vicente Blvd, Los Angeles, CA 90049
3107286181