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Los Angeles Construction Costs — 2025 Reality Check

Thinking about remodeling or building in Los Angeles? Knowing what to expect financially is the first step toward a smooth project. Costs in 2025 are still higher than pre-2020, but they've leveled off compared to the rapid increases we saw in past years. While construction here is more expensive than the national average, understanding the difference between hard costs (labor, materials, and construction) and soft costs (design, permits, and fees) can help you plan and avoid surprises. Below is a fact-based overview of what homeowners should know when budgeting for projects in Los Angeles County.

1) Where prices stand in 2025 (high-level)

- Construction costs remain elevated but not spiking compared to 2024.
- Industry indexes show low single-digit year-over-year changes.
- Local factors like labor, materials, and code compliance keep Los Angeles above national averages.

2) What your budget should include

Hard costs: labor, materials, equipment, subcontractors.

Soft costs: design/engineering, plan check & permit fees, surveys, testing, utility upgrades, contingencies.

Los Angeles County publishes valuation-based permit & plan-check fees, which are separate from construction costs. These scale with the overall project value.

Energy code note: California's 2025 Energy Code was adopted in 2025 but applies only to permit applications filed on or after January 1, 2026.



3) Typical L.A. ranges clients ask about (quick reference)

These are estimated ranges. Your actual cost depends on scope, site conditions, finish level, access, utilities, and codes.

Project type	What clients should know	Typical 2025 planning range (examples)
ADU (new)	Site work and utilities drive costs.	\$300–\$400 per sq ft (lows near \$250/sf for simple units)
Whole-home interior renovation	Ranges widely: cosmetic vs. structural.	\$125–\$500 per sq ft across LA
Kitchen remodel (typical total)	Size, layout changes, cabinets, material (high-low end)	\$50k–\$75k; mid-range national avg ~ \$71k
Soft costs (design and permits)	Not included in most per-sf quotes online.	Budget separately: design/engineering, permit/plan-check fees

4) Quick math homeowners can use

When planning your remodel, keep these rules of thumb in mind:

- **Soft Costs:** Beyond your builder's quote, factor in design/engineering fees, city permits, and plan check charges.
- **Extra work Fund:** Set aside **10–15% of construction costs** to cover unforeseen items such as city comments, hidden conditions, utility adjustments, or lead time delays.



5) What makes L.A. projects cost more (plain English)

Remodeling in Los Angeles often carries higher price tags compared to other regions. Here are the main reasons:

- **Project changes:** Changing layouts mid-project, adding/removing structural beams, or upgrading mechanical, electrical, and plumbing (MEP) systems drives costs up.
- **Site & Access:** Tight lots, hillside homes, utility trenching, and limited space for staging materials all add time and labor.
- **Code Compliance:** Plan check comments, multiple inspections, and energy compliance (new codes take effect for permits filed in 2026) create extra layers of approval.
- **Labor Costs:** Los Angeles construction wages remain well above the U.S. average, keeping baseline costs higher.



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Sources (2025)

- **ENR:** 1Q-2025 cost report; CCI/BCI trend (steady, low single-digit y/y). [Engineering News-Record+1](#)
- **RSMeans:** 2025 City Cost Index change notices (Los Angeles quarterly movements). [RSMeans+1](#)
- **California Energy Commission:** 2025 Energy Code applies to permits **filed on/after Jan 1, 2026**. [California Energy Commission](#)
- **L.A. County:** 2025–26 fee schedules & valuation tables (permit/plan-check are separate soft costs). [LA County Public Works+1](#)
- **BLS:** L.A. metro occupational earnings context (higher than national average). [Bureau of Labor Statistics](#)
- **ADU (examples):** GreatBuildz 2025 L.A. guide (~\$300–\$400/sf typical; lows ~ \$250/sf for larger/simple units). [GreatBuildz](#)