BGSN SHEET METAL, LLC

GULF COAST HVAC & SHEET METAL
INDUSTRY UPDATE
SEPTEMBER 2026 EDITION

MARKET TRENDS • MATERIAL PRICING • CODE & COMPLIANCE • FABRICATION INSIGHT

Coil Is at $1,200. Your Duct Price Isn't Done Moving.

Galvanized follows hot-rolled with a lag, the mills aren't discounting, and sheet metal labor keeps getting more expensive. Here is how mechanical contractors can hold their number on the next duct package.

FROM THE SHOP FLOOR • BGSN SHEET METAL, LLC • SLIDELL, LOUISIANA

$1,200	5.2%	4 YRS	1/1/27
HRC STEEL / SHORT TON	**CONSTRUCTION WAGE GROWTH**	**DAMPER RETEST CYCLE**	**R-410A VRF INSTALL DEADLINE**
Late Aug. 2026 — up 40%+ y/y	July 2026 y/y vs. 3.2% all private	NFPA 80/105 — 6 yrs in hospitals	Components made before 1/1/26

MATERIAL WATCH

Galvanized Is Still Catching Up to Hot-Rolled

Hot-rolled coil hit its highest level in more than four years in August and held around $1,200 per short ton into September. Galvanized — the coil your duct is actually cut from — prices at a premium over HRC and trails it, so the August move is still working its way into duct quotes this fall.

The mills have the leverage. Buyers finding a mill willing to negotiate are at the lowest share in almost five years, lead times are at multi-year highs, and fall outages will pull more than a million tons off the market through December. Early 2027 contract talk is $1,100–$1,175 a ton, against about $800 on 2026 contracts. A U.S.–Canada tariff deal that would have added supply fell apart in late August.

WHAT IT MEANS FOR YOUR DUCT PACKAGE

Ductwork is one of the most metal-heavy scopes on a mechanical job. A duct price quoted in August and bought in November carries every dollar the coil moves in between. Shorten that gap or get paid for it.

Before you sign the next duct subcontract

- **Escalation clause in writing,** tied to a published steel index with a base date. ConsensusDocs 200.1 is a workable start.
- **Carve out tariffs.** A tariff change after bid date is a change in law, not your pricing error.
- **Release the tonnage first:** plenums, coil casings, and large mains, ahead of branch work.
- **Price specialty metal separately.** Stainless and aluminum exhaust and black-iron grease duct run on their own lead times and price curves.

MARKET WATCH

Where the Duct Tonnage Is Going

National construction spending is down 3.5% year to date, and nonresidential work outside data centers fell to its lowest level since September 2023. The bright spot for sheet metal is the mix. Dodge's planning index shows schools, public buildings, and recreation projects strengthening while data center planning cools. That is ducted, air-side-heavy work — air handlers, VAV distribution, exhaust — and most of it is public bid work on the Gulf Coast.

Sources: Argus, SMU/CRU, CME HRC futures (late Aug. 2026); U.S. Census Bureau (July 2026); ABC/AGC analyses; Dodge Momentum Index (Aug. 2026). Galvanized coil is priced separately and regionally; confirm current pricing at time of bid.

SHEET METAL INSIGHT

Build the Package to Survive the Price

- **Release by area, not by job.** Level 1 goes to the shop while Level 3 is still in coordination.
- **Set pressure class by system segment.** Low-pressure branches often drop a gauge — fewer gauges, fewer coils to buy at spot.
- **Standardize fittings; run spiral where the ceiling allows.** Less metal, faster fabrication, lower leakage.
- **Build equipment connections off approved submittals,** not plan-scaled dimensions. A 2-inch miss at a coil becomes a field-built box.

CODE & COMPLIANCE

Fire & Smoke Dampers: Where the Sheet Metal Fails Inspection

The damper comes from the manufacturer. Whether it passes depends on the sleeve, the attachment, and the access — all sheet metal scope.

- **Install to the listing, not shop habit.** Sleeve gauge, retaining angles, clearance, and breakaway connections come from the manufacturer's UL 555 / 555S instructions. Outside the listing, it's a failed damper even if it closes.
- **Static vs. dynamic.** If fans run during a fire, fire dampers must be dynamic-rated. Check the schedule before release.
- **Access and labels.** The IMC requires service access and a permanent label with ½-inch letters. Coordinate duct access doors with ceiling access before the hard lid goes up.
- **Combination dampers.** Settle who furnishes the duct detector, who powers the actuator, and who wires it to fire alarm — before buyout, not at the fire marshal's test.

UPDATE FROM AUGUST: R-410A

EPA **finalized** (not just proposed) removal of the Jan. 1, 2026 install deadline for pre-2025 residential and light commercial equipment on May 21. R-410A VRF still faces a **Jan. 1, 2027** install deadline — confirm component dates with the OEM before you hang ducted fan coils on a job that finishes late.

SHEET METAL LABOR WATCH

Construction wages rose 5.2% year over year in July. Meta's Richland Parish data center campus alone will put 7,500 trade workers on site at peak, and the Gulf Coast LNG build keeps ramping. Sheet metal journeymen and pipefitters are the first crafts those jobs pull.

Meta has made **Source Louisiana** the default subcontracting portal for that site. If you want mechanical or sheet metal work there, register.

FIELD-BUILT DUCT IS THE MOST EXPENSIVE DUCT

Every fitting built on a ladder costs journeyman hours at installed rates. Every fitting built in the shop is one your crew doesn't build — and one more hour they spend hanging duct instead.

WHAT WE FABRICATE

- Rectangular ductwork — all pressure classes
- Round and spiral ductwork and fittings
- Custom fittings, transitions, and offsets
- Plenums and coil casings
- Equipment connections and unit transitions
- Fire/smoke damper sleeves and access doors
- Custom field-required pieces on short notice
- Complete commercial duct packages

OUR APPROACH

Price it once. Buy it once. Build it once.

Need Sheet Metal? Send Us the Plans.

Send drawings, specs, or a sketch. We'll tell you what can be built ahead of installation — and what it takes to lock your price.

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