Carbon Arc

CARBON ARC TRANSCRIPTS × THE CARBON ARC PLATFORM

RESIDENTIAL HVAC IN 2026 · 36 OPERATOR INTERVIEWS × 12 DATA ASSETS

Residential HVAC prices stayed higher into the fall.

From August to October, volume ran close to 2025 levels while each job cost more, the split operators in Carbon Arc Transcripts describe all year.

EACH BAR IS THE CHANGE AGAINST THE SAME MONTHS OF 2025 — JAN–JUL — AUG–OCT

HOW MANY

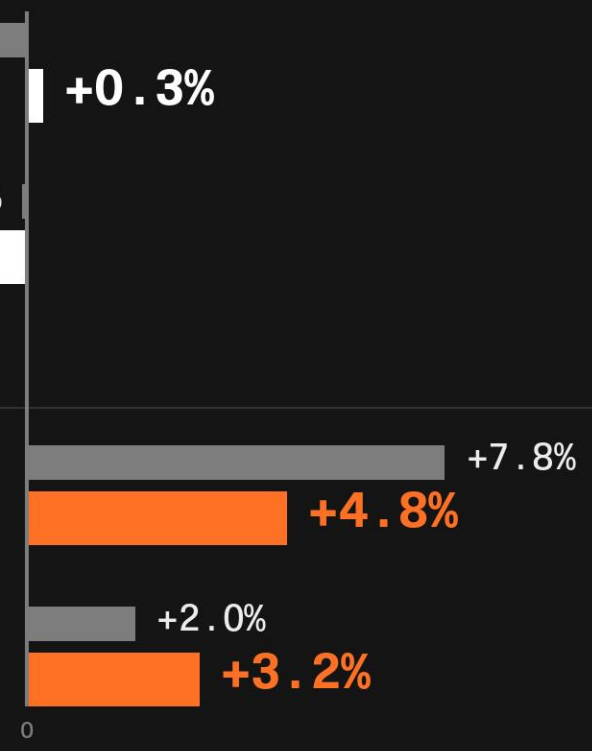
Card transactions of $100+ to HVAC contractors
VS ALL CARD TRANSACTIONS · INCLUDES SERVICE CALLS

Foot traffic at HVAC distributor branches
BAKER DISTRIBUTING + LENNOXPROS · SAME BRANCHES

HOW MUCH

Median job value on HVAC install permits
HOUSING PERMITS · AUG–SEP, OCTOBER NOT YET COMPLETE

Average card transaction of $100+ to HVAC contractors
CARD SPEND · INCLUDES SERVICE CALLS



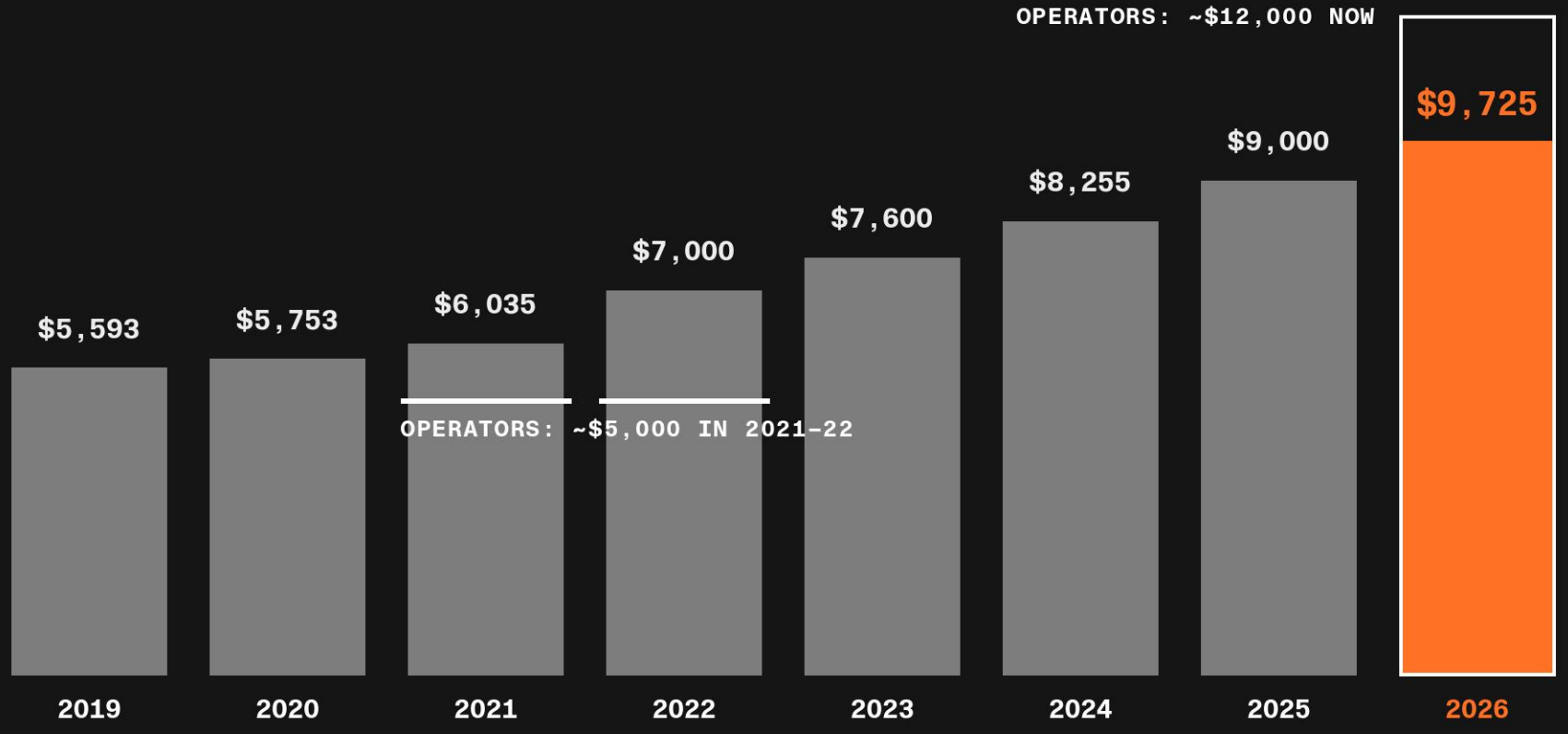
> “Well, we're actually up a little bit by about 2% or 3% year over year, which is astounding to me because it's all price increases”
>
> C-SUITE, HVAC DISTRIBUTOR, US WEST · SEPTEMBER
>
> Carbon Arc Transcripts ID: 23c58b9d-59f4-4fba-9c94-3e91bd28f7a4

Job values are as declared on permits, in ZIP codes that report them every year.
Source: Carbon Arc Housing Permits - CA002 · Carbon Arc Foot Traffic - CA0060 · Carbon Arc Credit Card - US Complete Panel - CA0056 · Carbon Arc Transcripts

02 THE PARADOX · WHAT THE HOMEOWNER PAYS · HOUSING PERMITS

The permitted price of a new system is up 61% since 2021.

Median job value on residential HVAC replacement permits. Operators in Carbon Arc Transcripts describe a bigger jump, from about $5,000 to about $12,000.



2026 MEDIAN BY STATE

CA $15,000 TX $12,000 GA $11,999 TN $11,000 NC $10,702 VA $10,000 FL $9,359

> “I'm going to avoid replacing my equipment as long as humanly possible since replacing a two and a half ton unit is the same cost of buying a used car now.”
>
> C-SUITE, HVAC WHOLESALE CO-OP, US · JULY
>
> Carbon Arc Transcripts ID: 6f8c418e-1436-4175-991c-da434c358897

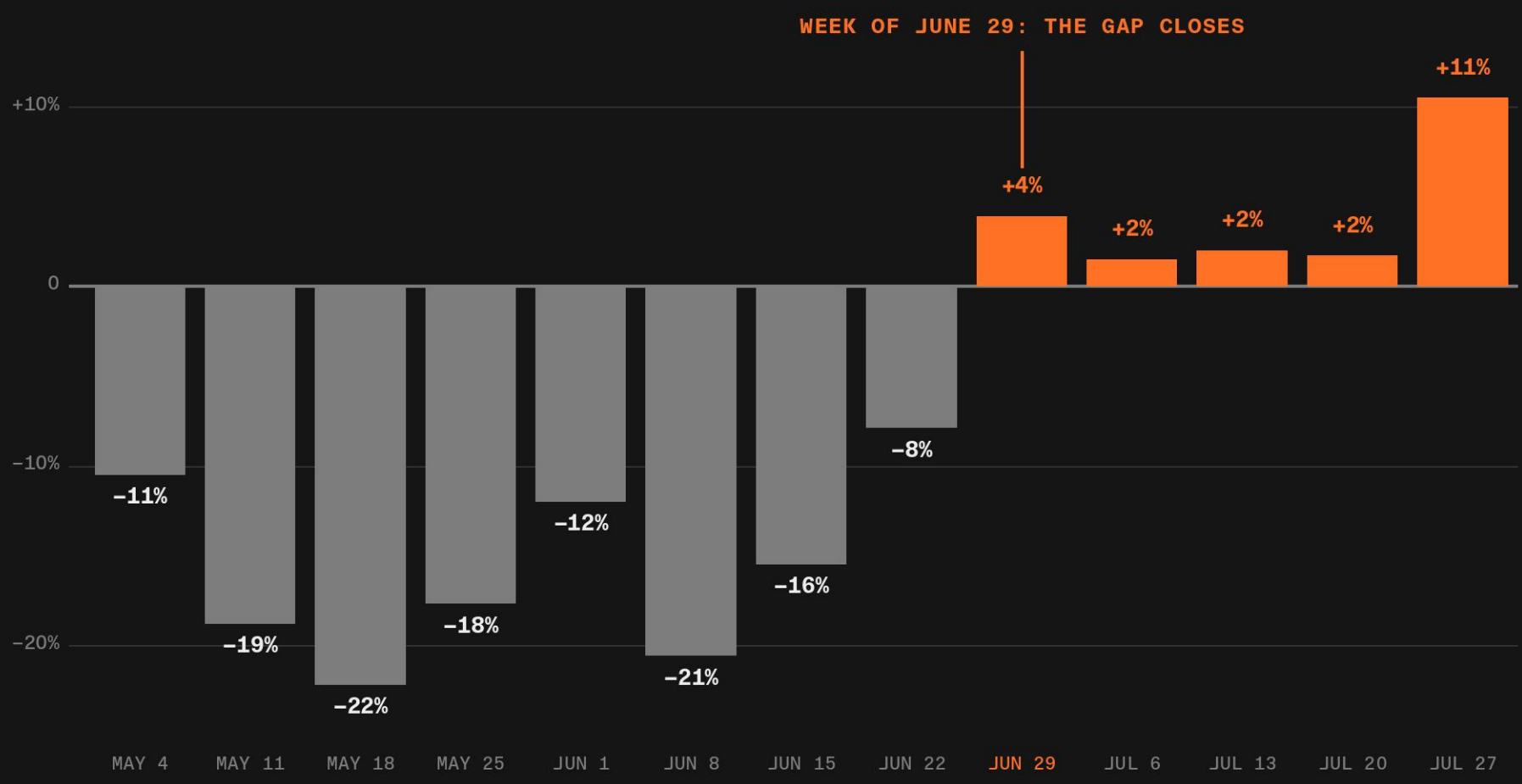
Values as declared by contractors, often below the final invoice, in 919 ZIP codes that report them every year. 2026 is January to October.

Source: Carbon Arc Housing Permits - CA002 · Carbon Arc Transcripts

03 THE PARADOX · A LATE START · HOUSING PERMITS

Southeast HVAC permits trailed 2025 until the last days of June.

Weekly HVAC permits in the Southeast against the same week of 2025. The national count turned positive in the same week.



> “Saturday was the first 90-degree day we've had, and we need a little hot weather in April to have a good year.”
>
> C-SUITE, HVAC DISTRIBUTOR, US SOUTHEAST · JUNE
>
> Carbon Arc Transcripts ID: cea43c44-015d-4155-a98f-7bfa6aa65ba5

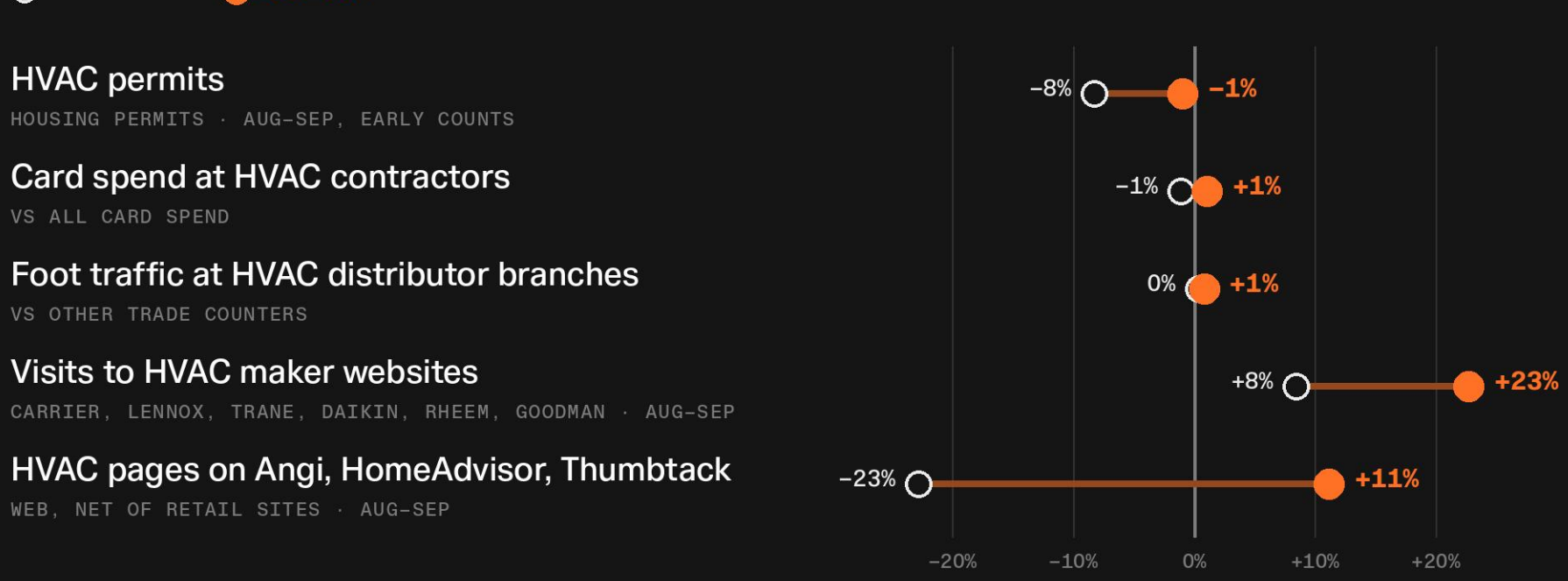
Southeast permits are mostly Florida and North Carolina. Recent weeks are adjusted for permits still being filed.

Source: Carbon Arc Housing Permits - CA002 · Carbon Arc Transcripts

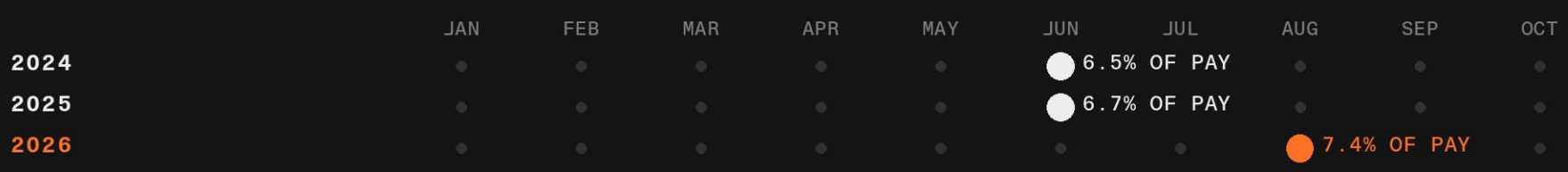
04 THE PARADOX · A LATE SEASON · FIVE DATA ASSETS

Five data assets show the late season gaining ground.

Each line runs from January through July to August through October, as the change against the same months of 2025.



OVERTIME AT HVAC CONTRACTORS PEAKED IN AUGUST THIS YEAR, NOT JUNE



> “So it felt like the summer slid back three to four weeks versus what we normally see, but I haven't seen data to support that.”
>
> C-SUITE, HOME SERVICES PLATFORM, EASTERN US · OCTOBER
>
> Carbon Arc Transcripts ID: 3b759137-7109-465e-b524-a0925ba130e5

Other trade counters: Grainger, SiteOne, Builders FirstSource, Beacon, WESCO. Retail sites: Home Depot, Lowe's, Best Buy.

Source: Carbon Arc Housing Permits - CA002 · Carbon Arc Credit Card - US Complete Panel - CA0056 · Carbon Arc Foot Traffic - CA0060 · Carbon Arc Clickstream - CA0030 · Carbon Arc SMB Workforce - CA0055 · Carbon Arc Transcripts

05 THE PARADOX · THE WEATHER · WEATHER DATA

Across most of the South, September ran furthest above normal.

Each square is a month's average temperature against that state's 2015 to 2024 normal, in °F. Outlined squares were the warmest since at least 1981.

COOLER · NEAR NORMAL · +0.5 TO 2 · +2 TO 4 · +4 OR MORE

		MAY	JUN	JUL	AUG	SEP	OCT
SOUTH	TN	−0.8°	0.0°	+1.0°	+2.1°	+6.0°	+3.1°
	AL	−1.1°	−0.1°	+1.2°	+1.8°	+3.9°	+1.1°
	GA	−0.1°	−0.4°	+1.5°	+1.8°	+2.9°	+1.0°
	SC	−0.4°	+0.3°	+1.7°	+1.8°	+2.0°	+0.5°
	FL	+2.1°	+1.0°	+1.2°	+0.8°	+0.1°	+0.5°
	TX	−1.1°	+0.8°	+0.2°	+2.9°	+5.6°	+2.5°
WEST	AZ	+1.5°	+1.2°	+0.3°	+3.4°	+0.4°	0.0°
	CA	+1.0°	−0.5°	−0.9°	+1.6°	−1.7°	+1.5°
EAST	VA	−1.1°	+1.2°	+0.8°	+1.6°	+2.0°	+1.1°
	NY	−1.8°	+1.4°	−0.1°	−0.2°	−1.1°	0.0°
MIDWEST	MI	−2.7°	−0.1°	+2.2°	+0.2°	+0.1°	+3.7°
	OH	−3.0°	0.0°	+1.5°	+0.3°	+1.9°	+2.7°
	IL	−1.1°	−1.0°	+2.0°	+1.0°	+3.6°	+5.8°

> “We thought we got a really cold winter and it took a while to get hot, but it got really, really hot.”
>
> SENIOR EXECUTIVE, HVAC CONTRACTOR, EASTERN US · SEPTEMBER
>
> Carbon Arc Transcripts ID: 07251b8b-b68d-4a6b-a053-9271abfe522b

Monthly mean of daily average temperatures, by state.

Source: Carbon Arc Weather Data - CA0037 · Carbon Arc Transcripts

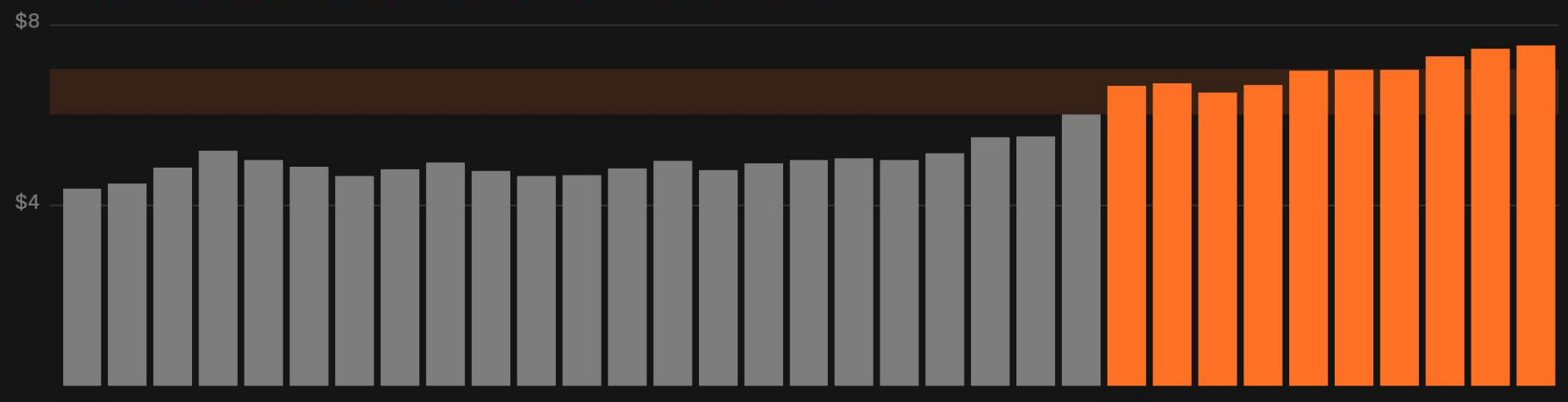
06 WHY PRICES ROSE · METALS · COMMODITY METRICS

Copper topped $7 a pound, and US steel outpaced steel abroad.

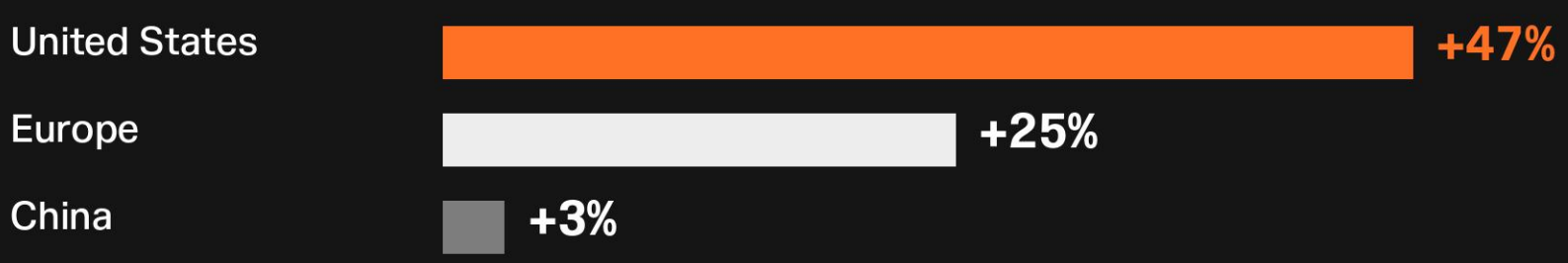
Copper runs through an air conditioner's coils, refrigerant lines and motor windings; steel forms the equipment and the ductwork.

COPPER, $ A POUND · SHADED: THE $6 TO $7 OPERATORS QUOTED

OCT $7.52 · +43% AUG–OCT VS 2025



HOT-ROLLED STEEL, AUG–SEP 2026 VS AUG–SEP 2025, IN DOLLARS



> “Over the last year, we've seen various increases. A lot have been tariffs. We had some increases from tariffs that never came down.”
>
> C-SUITE, HVAC CONTRACTOR, US SOUTHWEST · OCTOBER
>
> Carbon Arc Transcripts ID: 4bd892ba-5810-4c48-ae29-97d50b52a144

Copper is the China spot price converted from yuan. Steel is hot-rolled coil in each region; changes only, as regional price units differ.

Source: Carbon Arc Commodity Metrics - CA0077 · Carbon Arc Transcripts · Copper Development Association · LibreTexts, Introduction to Residential HVAC

07 WHY PRICES ROSE · FUEL · C-STORE FUEL

Diesel topped $8 a gallon in California this fall.

Diesel moves most US freight, HVAC equipment included, and carriers pass its cost on as fuel surcharges. Average retail price per gallon, October 2026. Every other state with enough stores to read stayed under $7.



$8.32
CALIFORNIA
OCTOBER 2026

$6.24
US DIESEL, OCT 2026
UP 75% ON OCT 2025

$4.24
US GASOLINE, OCT 2026
UP 42% ON OCT 2025

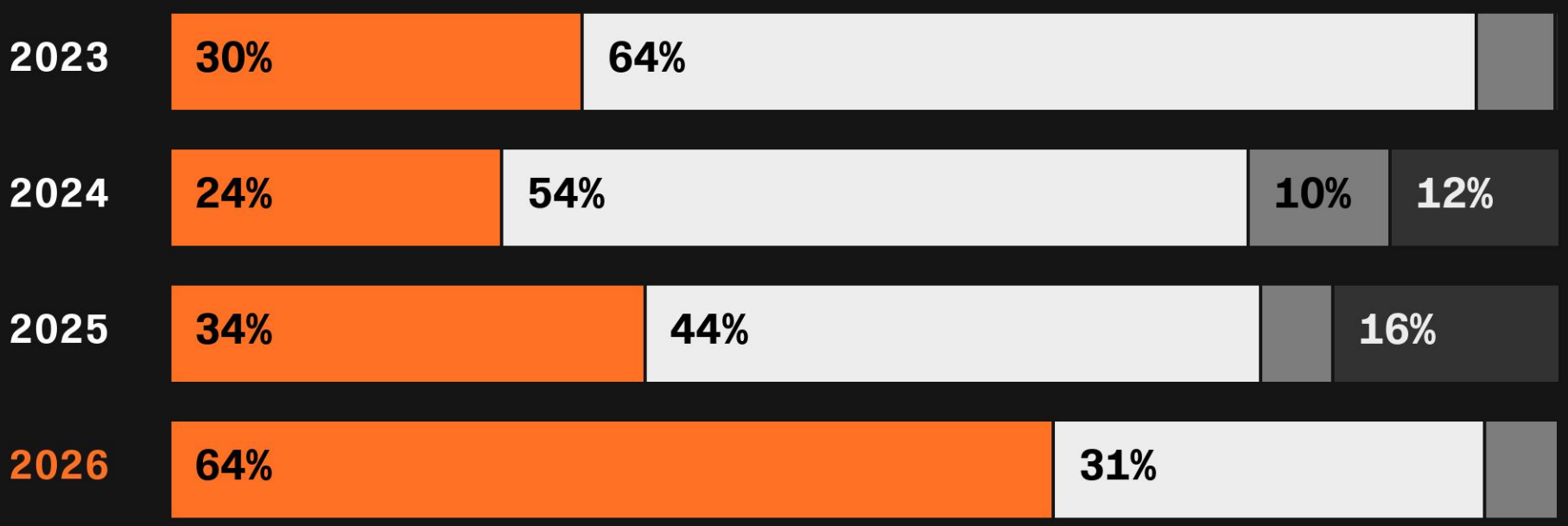
> “I don't think diesel can get to eight bucks a gallon.”
>
> OWNER, HVAC CONTRACTOR, US MID-ATLANTIC · OCTOBER
>
> Carbon Arc Transcripts ID: f57fe6ce-ffab-42e2-8cd0-d808aceb8eb6

Outlined states have too few stores to read.
Source: Carbon Arc POS - Convenience Stores - CA0029 · Carbon Arc Transcripts · US Energy Information Administration

08 WHY PRICES ROSE · WHERE IT'S MADE · TRADE CLAIMS

Southeast Asia overtook China in ocean imports of ACs.

Share of US ocean imports of air conditioners and heat pumps by weight, January to April of each year.



JAN–APR OF EACH YEAR · SOUTHEAST ASIA = THAILAND, INDONESIA, MALAYSIA, VIETNAM

54%
THAILAND ALONE
JAN–APR 2026

−28%
CHINA BY WEIGHT, AT LEAST
VS JAN–APR 2025

+3%
ALL ORIGINS BY WEIGHT
A SHIFT IN SOURCE, NOT A SURGE

> "We can get a 16 for $1,500 less than we buy a 14. It's got the same warranty."
>
> C-SUITE, HVAC DISTRIBUTOR, US SOUTHEAST · OCTOBER
>
> Carbon Arc Transcripts ID: 4767e1fe-9a1f-4ecc-9cf2-90a979c0b9db

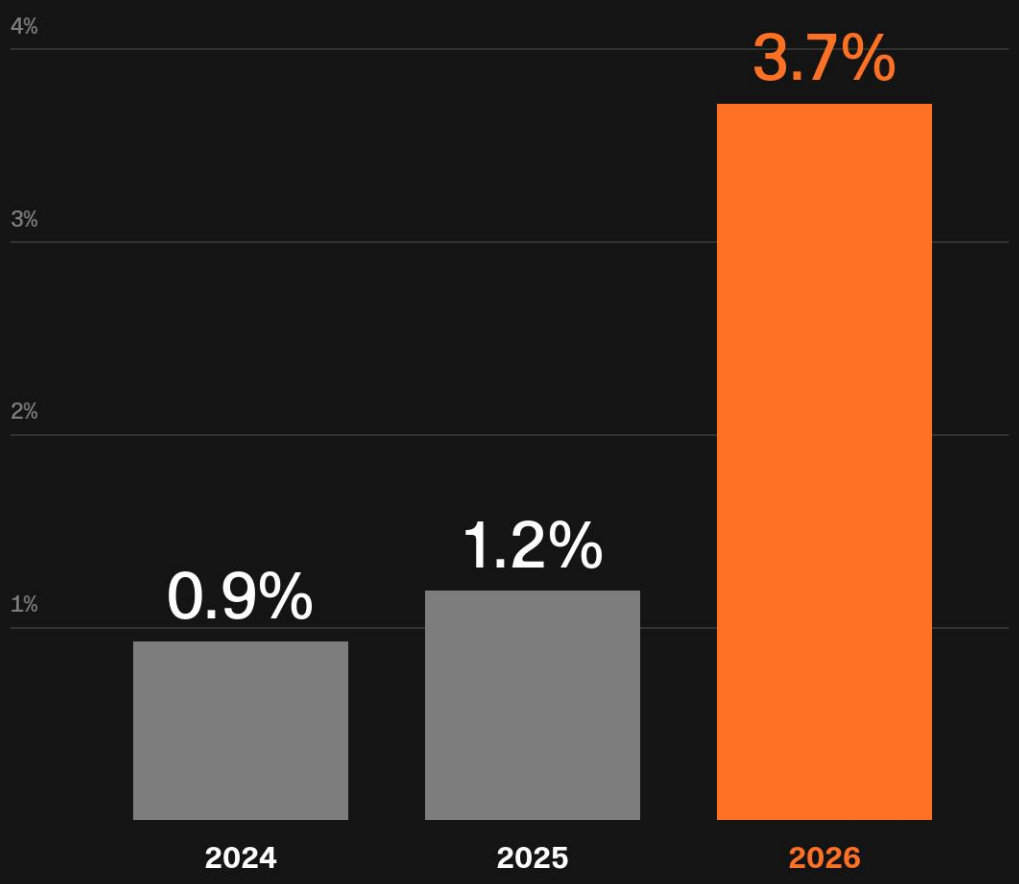
Truck and rail imports from Mexico and Canada are not covered. The data shows where imports come from, not what they cost.

Source: Carbon Arc Trade Claims - CA0040 · Carbon Arc Transcripts

09 WHY PRICES ROSE · LABOR · JOB OPENINGS × SMB WORKFORCE

Data centers are now hiring the same HVAC technicians.

Share of HVAC technician job postings that mention data centers, January to October of each year.



283

EMPLOYERS POSTING THEM
167 IN 2025, 115 IN 2024

$75K

MEDIAN POSTED PAY, 2026
VS $69.6K FOR OTHER HVAC TECHNICIAN POSTINGS

3.9%

PAY RISE AT HVAC CONTRACTORS
VS 2.9% AT ALL SMALL BUSINESSES

> “We're a business that mostly sells skilled labor, not pieces of equipment, right?”

C-SUITE, HVAC CONTRACTOR, US NORTHEAST · OCTOBER

Carbon Arc Transcripts ID: 9d487e41-2e79-41e4-a703-ff34a9c15509

HVAC technicians are occupation 49-9021. Without the largest employer posting them, the 2026 share is 3.0%. Pay rise is the median hourly change for workers who stayed, Sep 2025 to Sep 2026.
Source: Carbon Arc Job Openings - CA0043A · Carbon Arc SMB Workforce - CA0055 · Carbon Arc Transcripts

10 HOW THE MARKET ADAPTS · ONLINE · AMAZON

Ductless mini-splits on Amazon sold more units at lower prices.

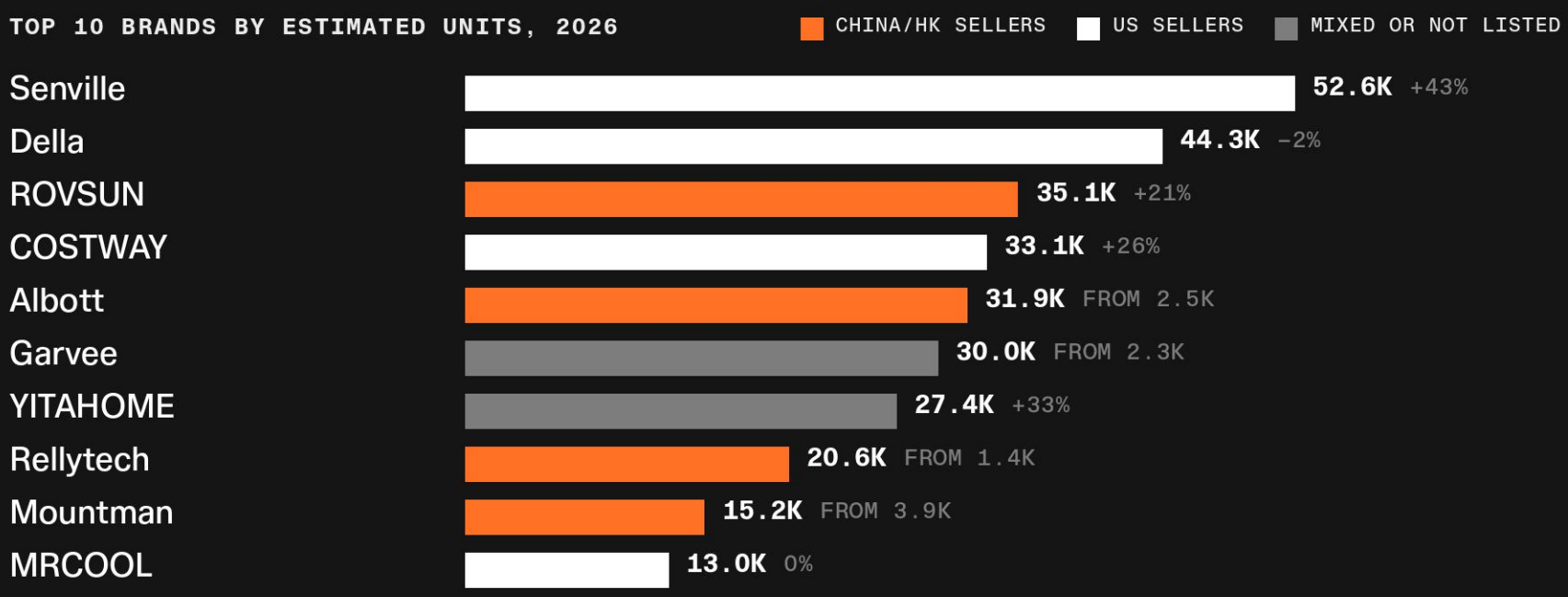
Estimated units, January to mid-October 2026 against the same weeks of 2025, on the same tracked products.

+72%
ESTIMATED UNITS
+38% NET OF ALL TRACKED PRODUCTS

$1,011→$833
REVENUE PER UNIT
−18%

25→42%
UNITS FROM CHINA/HK SELLERS
SHARE, 2025 → 2026

TOP 10 BRANDS BY ESTIMATED UNITS, 2026



> “So I think this is a inevitable shift of some mix. I think it's a real headwind and risk for the existing OEMs”
>
> C-SUITE, HVAC AND PLUMBING SERVICES PROVIDER, NORTH AMERICA · OCTOBER
>
> Carbon Arc Transcripts ID: 4c32cdda-8436-420e-9dbd-d765f264b234

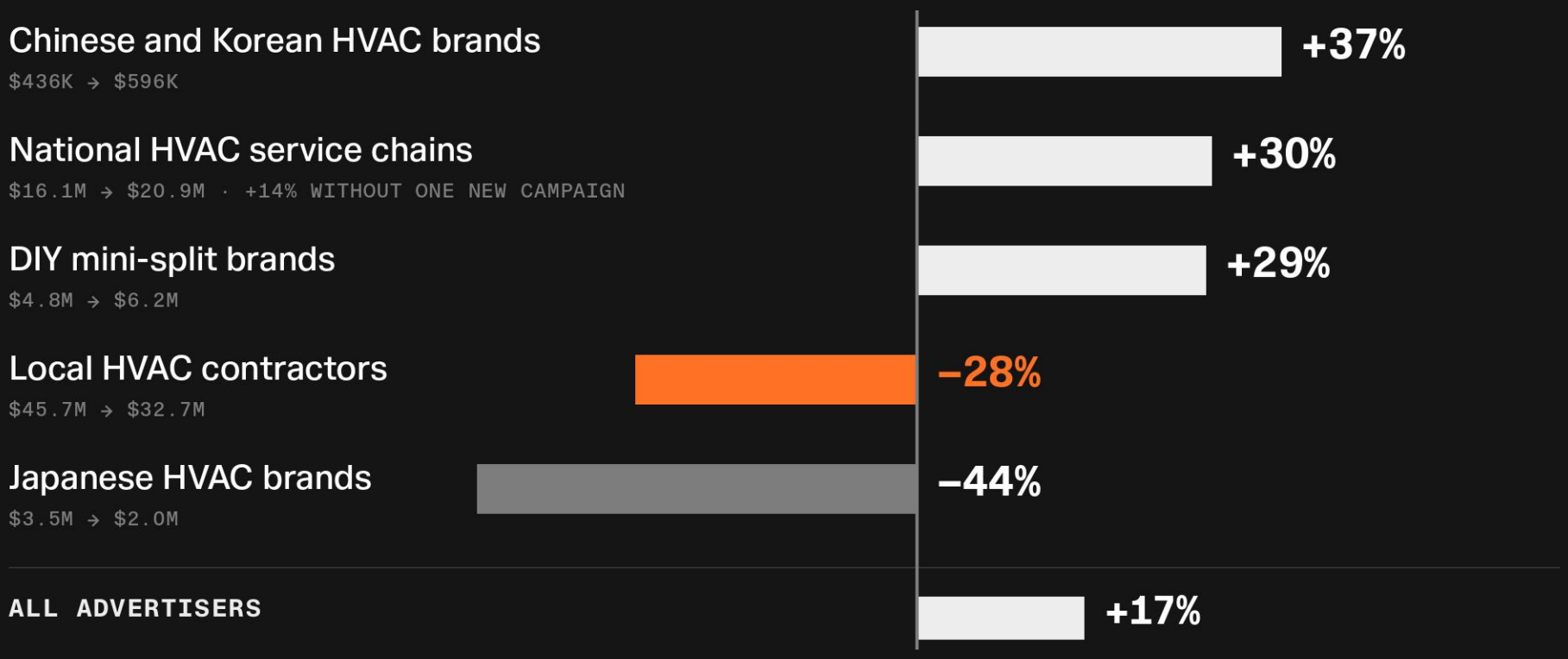
Seller country is where the seller company is registered, not where units are made. Household HVAC names were 2% of units.

Source: Carbon Arc Amazon Marketplace Intelligence - CA0083 · Carbon Arc Transcripts

11 HOW THE MARKET ADAPTS · SCALE · DIGITAL ADVERTISING

Local contractors cut ad spend as national chains spent more.

Display, online video and social ad spend, January to September 2026 against 2025. All advertisers together spent 17% more.



> “There are private equity groups that are moving in, scooping up a lot of local businesses. Mine included, I have tons of inquiries daily about buying my business.”
>
> OWNER, HVAC CONTRACTOR, US SOUTHEAST · OCTOBER
>
> Carbon Arc Transcripts ID: 4e7a0570-d785-4b13-8c51-75d6c0c4bce9

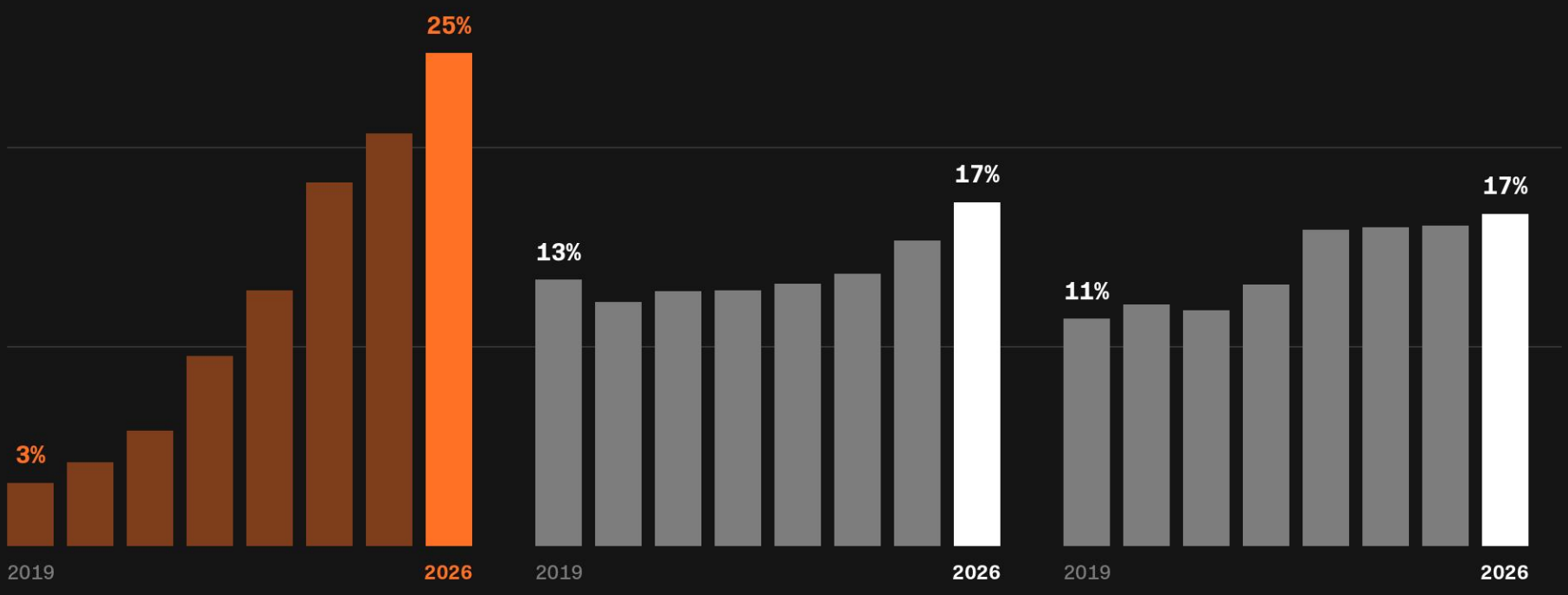
No search or TV advertising is included.

Source: Carbon Arc Digital Advertising - CA009 · Carbon Arc Transcripts

12 HOW THE MARKET ADAPTS · ELECTRIFICATION · PERMITS

Heat pumps now appear on one in four California HVAC permits.

Share of residential HVAC permit descriptions that mention a heat pump, January to September of each year.



In California, furnace mentions fell from 23% to 21% in 2026. Outside it, heat pump shares rose by less than two points in 2026.

> “...we're now seeing everybody hesitating on electrification because of the concerns over capacity and data centers”
>
> OWNER, HVAC CONTRACTOR, US MID-ATLANTIC · OCTOBER
>
> Carbon Arc Transcripts ID: f57fe6ce-ffab-42e2-8cd0-d808aceb8eb6

Based on permits whose descriptions name the equipment; not a count of units sold.

Source: Carbon Arc Housing Permits - CA002 · Carbon Arc Transcripts

13 THE SCORECARD · SAME EXPERTS, JUNE TO OCTOBER

Five summer forecasts, checked against what the data shows.

WHAT THEY SAID	WHAT THE DATA SHOWS	
C-SUITE, HVAC DISTRIBUTOR, US SOUTHEAST · JUNE “So if it gets hot, stays hot, I think we will sell out.” Carbon Arc Transcripts ID: cea43c44-015d-4155-a98f-7bfa6aa65ba5	The heat did come, late: September was Tennessee's warmest since 1981, and Southeast permits caught up from the week of June 29. The data can't show whether shelves emptied.	PARTLY
C-SUITE, HVAC WHOLESALE CO-OP, US · JULY “We've seen a shift that the third quarter has become the strongest quarter.” Carbon Arc Transcripts ID: 6f8c418e-1436-4175-991c-da434c358897	Card spend at HVAC contractors in Q3 2026 beat Q2 by 3%. In 2025, Q2 had led.	BORNE OUT
SENIOR EXECUTIVE, HVAC CONTRACTOR, EASTERN US · JULY “I don't think that it's going to be hot enough this summer to improve total HVAC demand.” Carbon Arc Transcripts ID: f88fd867-fa59-4095-a1e0-2444f9a682bb	Permits went from −11% in Q2 to +2% in Q3.	MISSED
C-SUITE, HVAC CONTRACTOR, US SOUTHEAST · AUGUST “I expect some price drop in third quarter due to tariffs.” Carbon Arc Transcripts ID: 8fa3ef47-080f-4688-967a-0cd484b6dbf3	Median permit job value in August and September ran 5% above 2025; copper rose 43% and US steel 47%.	MISSED
C-SUITE, HVAC DISTRIBUTOR, US WEST · SEPTEMBER “I think it's going to be a little bit of an early fall for us” Carbon Arc Transcripts ID: 23c58b9d-59f4-4fba-9c94-3e91bd28f7a4	California's September ran 1.7°F cooler than normal, and West permits fell below 2025 from late September.	BORNE OUT

The pattern: weather calls went both ways, and the one bet on price relief missed.

Data columns compare 2026 with 2025 unless noted. West permits for late September are early counts.
Source: Carbon Arc Credit Card - US Complete Panel - CA0056 · Carbon Arc Housing Permits - CA002 · Carbon Arc Weather Data - CA0037 · Carbon Arc Commodity Metrics - CA0077 · Carbon Arc Transcripts

Carbon Arc provides the full story.

THE PLATFORM

This piece draws on 12 data assets in the Carbon Arc platform: building permits, card spend, foot traffic, trade claims, Amazon marketplace sales, small-business payrolls, job openings, weather, c-store fuel prices, commodity prices, digital advertising and web traffic. They sit among 500+ data assets in all.

TRANSCRIPTS

Carbon Arc Transcripts holds 36 residential HVAC interviews with 20 experts, from June 29 to October 27, 2026: a manufacturer, a wholesale co-op, distributors, home services platforms and contractors, several of them interviewed every month, and counting.

TO GET THE FULL INTERVIEWS FROM TRANSCRIPTS,
REACH OUT TO support@carbonarc.co

Experts confirm they will not disclose material non-public information. Views are their own.
Source: Carbon Arc Housing Permits - CA002 · Carbon Arc Credit Card - US Complete Panel - CA0056
· Carbon Arc Foot Traffic - CA0060 · Carbon Arc Trade Claims - CA0040
· Carbon Arc Amazon Marketplace Intelligence - CA0083 · Carbon Arc SMB Workforce - CA0055
· Carbon Arc Job Openings - CA0043A · Carbon Arc Weather Data - CA0037
· Carbon Arc POS - Convenience Stores - CA0029 · Carbon Arc Commodity Metrics - CA0077
· Carbon Arc Digital Advertising - CA009 · Carbon Arc Clickstream - CA0030 · Carbon Arc Transcripts