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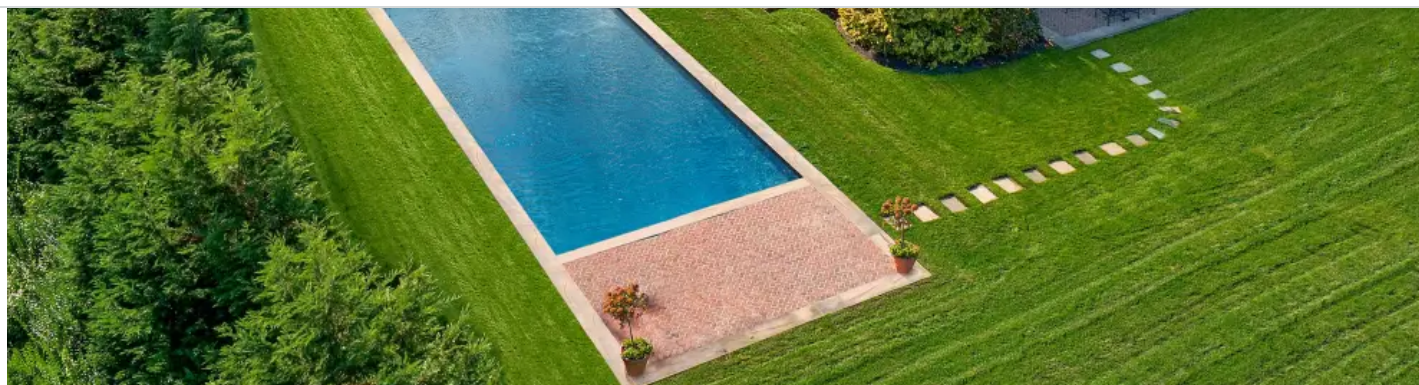
Inside Sagaponack, the Hamptons' most exclusive — and expensive — real estate market, where you pay millions to live in rustic bliss next to billionaires and celebrities

Natasha Solo-Lyons Dec 8, 2020, 1:11 PM



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A mansion at 515 Parsonage Lane is on the market for \$13.995 million in Sagaponack, New York — which is also the East Coast's priciest ZIP code. Sotheby's International Realty

Sagaponack is a small enclave tucked amid the posh string of Long Island towns that make up the Hamptons, a favorite getaway for New York's billionaires and celebrities.

The village, which has just over 300 residents and no town center, just ranked second in [a nationwide ranking of most expensive ZIP codes](#).

Its ZIP, 11962, notched a median home price of \$3.875 million — but that number has jumped even higher in recent months as the coronavirus pandemic fueled a Hamptons buying boom because New Yorkers sought refuge outside the city.

Sagaponack's allure is, in part, the result of strict regulations on development that have led to large lots for mansions and ample green space. Those perks, coupled with a low-key vibe, have lured notable residents from billionaire Ira Rennert to actress Drew Barrymore.

Residents and real-estate insiders shared how the posh enclave went from affordable artists' haven to an escape for the ultra-wealthy where property prices are only getting higher.

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There was a time, Lou Meisel laughed, when no one had even heard of Sagaponack.

Now the enclave is the most expensive area in the Hamptons, the string of quaint Long Island beach towns beloved by wealthy New Yorkers.

Indeed, the petite village boasts [the second-priciest ZIP code in America](#), according to a November report by real-estate statistics site Property Shark. Meisel, an art dealer and collector, spends most of each year in Sagaponack, chockablock with mansions separated by acres of farmland. The nation's runner-up in property values — to only the tony Silicon Valley suburb of Atherton, California — 11962 notched a median home price of \$3.875 million.

But in 1984, Meisel and his wife Susan nabbed a 5,000-square-foot, six-bedroom house in Sagaponack — for just \$475,000. And after scouring the Hamptons for the right property, they found their Xanadu.

"After looking at everything, we said, 'That's got to be the house for us,'" Meisel, 78, told Business Insider by phone from his "first home on the block," set on two verdant acres. "You could see the ocean from it. You could see all around for half a mile because there was nothing but farm fields."

Not long after, Meisel picked up another two acres "for a few hundred thousand

dollars." — how he wanted a small town that is still open to the public.



Such eye-popping statistics are the result of Sagaponack's meteoric rise from indigenous tribes and English settlers who arrived in the 1650s to an artsy escape to a discreet oceanfront playground. Now, billionaires and celebrities live side by side with fifth-generation farmers.

READ MORE: The most expensive ZIP codes in America in 2020

The last Hampton to be developed



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The Wölffer Estate Vineyard in Sagaponack, which produces a cult-favorite rosé. Mark Sagliocco/Getty Images

Sagaponack was only formally recognized as its own village, rather than just a neighborhood within Southampton, in 2005.

With some 322 residents over just 4.7 square miles, it's a rarefied community where real-estate values were high even before the COVID-19 pandemic. But the coronavirus has fueled an increase in home prices in the suburbs and second-home hot spots around New York City as urbanites seek interior square footage and outdoor space for adults, kids, and pets to roam. That demand has pushed Sagaponack real-estate prices to new heights, data shows, above even what the Property Shark study measured.

Pushing property prices ever higher is a lack of supply. Nestled between the larger towns of Bridgehampton to the west, East Hampton to the east, and Sag Harbor to the north — plus the sandy shores of Atlantic Ocean to the south — Sagaponack has the most stringent building and zoning regulations of any of its neighbors.

For starters, various entities and agencies, including local Southampton officials, the Nature Conservancy nonprofit, and the Peconic Land Trust, deem large swaths of green space undevelopable for reasons of agriculture and environmental protection. Not to mention privately-owned easements that designate land as open space and agricultural reserve. Despite those limitations, Sagaponack has about 400 estates,

Minimum investment: \$1 million. Sagaponack real estate is expensive, but it's also a great investment.



Lou and Susan Meisel. Courtesy of Lou Meisel

Which explains why boldface names with deep pockets appreciate it. Sagaponack residents range from CEOs, including junk bond mogul Ira Rennert, whose [palatial estate has been valued at \\$500 million](#), to celebrities, like actress Drew Barrymore, who [snapped up a \\$6 million farmhouse](#) last year. Former homeowners include former Goldman Sachs CEO Lloyd Blankfein, Coach chairman Lewis "Lew" Frankfort, "Slaughterhouse-Five" author Kurt Vonnegut, and "Breakfast at Tiffany's" scribe Truman Capote.

And while Sagaponack also contains 55 acres of Hamptonites' favorite rosé-maker,



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It doesn't even have a town center

Marilee Foster on her Sagaponack farm, which has been in her family for generations. REUTERS/Lindsay Morris

Sagaponack has flown under the radar for a few reasons: For one, the village has no commercial center. An inconspicuous pair of buildings — a post office-cum-general store and a public one-room schoolhouse (one of the few left in the country) — grace Sagg Main Street.



So, if residents want to head "to town," to restaurants, large supermarkets, or shops, they have to travel to nearby Southampton, Bridgehampton, East Hampton, or Sag Harbor, all within a few miles of largely residential Sagaponack.

Many visitors simply overlook Sagaponack as they drive along Route 27 (the Hamptons' main drag) or Montauk Highway, Meisel said, adding that Sagaponack remains "one of the most delightful places on Earth," and still fairly unknown.

SEE ALSO: [Here's what it's like to live in Sagaponack](#)

The beach town's rustic reputation has roots in its generations of working farmers, which the village has ardently sought to protect, [the New York Times reported](#). Farming crops like potatoes became a primary commerce stream for the Hamptons after the demise of whaling in the 1800s, and descendants of settlers still hoe the land to this day.

One harbinger of modernization looms: the Sagg General Store, built in 1878, is on the market for nearly \$3.995 million with Susan Ratcliffe of Brown Harris Stevens, [according to the Sag Harbor Express](#). But while the descendants of the Hildreth and Thayer families, who have owned and operated the store at 524 Sagg Main Street and its in-house post office for more than a century, are ready for new ventures, they hope the new owner honors its old-world roots.



Building estates in a hidden hamlet

One Michael Davis Design & Construction's luxurious newly built homes, humbly called Sagaponack Cottage.

Michael Davis Design & Construction

Davis, too, has witnessed Sagaponack's maturation.

The general contractor has built over 100 luxury properties in the Hamptons since he arrived there from England in 1985. About half of those, constructed under the mantle of his firm [Michael Davis Design & Construction](#), are in Sagaponack.



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The Sagaponack homes Davis designs vary in aesthetic, but often combine the classic shingle-style found all over the Hamptons with a 19th century-inspired English Country style from his native United Kingdom.

His business has morphed from building houses on spec to accepting commissions for custom builds.

Davis declined to share a standard price for his handiwork because it is contingent on the size, location, materials, and amenities. But many include swimming pools, tennis courts, and landscaped grounds, among other grand amenities.

Last year, an eight-bedroom spread Davis designed at 324 Hedges Lane sold for \$14.75 million, [according to 27 East](#). And in March, [the outlet reported](#), Christina and Barry Kringstein paid a whopping \$16.5 million for another one of his properties, at 494 Hedges Lane nearby.

Sagaponack's 3-acre zoning rule, Davis told Business Insider, is the secret that lends its residents more space than their counterparts in larger towns, who are likely to have neighbors in closer proximity.

Plus, its agricultural acres and protected land give it a pastoral feeling that residents



One downside: Sagaponack's strict development-approval processes means it took Sagaponack Realty — led by partners Marc Goldman, Milton Berlinski, and Michael Hirtenstein — 12 years ([and a lot of headaches](#)) to come up with a plan for 43.5 acres of land they bought for \$30 million that also would be [acceptable to village officials.](#))

Sagaponack's grand mansions for sale



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With nine bedrooms, 11.5 bathrooms and a tennis court, 610 Sagaponack Main Street is on the market for \$22.5 million. Photos Rise Media, Renderings: Slava Priborkin, CGRendering, Sotheby's International Realty

The unusual perks of Sagaponack are evident from a peek through its posh on-the-market listings.

Photos of the [seven-bedroom, 10.5-bathroom mansion at 515 Parsonage Road](#) show landscaped grounds teeming with blossoming hydrangeas. The 11,760-square-foot traditional-style house, co-listed with Brown Harris Stevens and Sotheby's, has a finished basement with a professional gym with sauna and steam spa, a home theater, a wine cellar and an accompanying tasting room with a custom bar and billiards — all for the asking price of \$13.955 million.

Meanwhile, a [sprawling new-construction property at 610 Sagaponack Main Street](#) has nine bedrooms and 11.5 bathrooms over 13,492 square feet. Listed with Sotheby's, the \$22.5 million property has a double-height great room with retractable glass doors that open to the massive outdoor area, with a "resort-style" pool with built-in loungers and a sunken tennis court.

Then there's a [massive compound on Poxabogue Road](#), with six addresses sporting a combined price tag of \$49.5 million — the most expensive Hamptons property listed with by major brokerage Douglas Elliman. It includes three grand homes, three lots of vacant land, and two swaths of agricultural reserve.



"I've been here since the '80s, and I have to say the Hamptons have really grown and changed. But what's made Sagaponack so unique is so much of the land has been preserved," one of the Held sisters told Business Insider. "It was the last Hampton to really get developed, and it was probably was the most controlled development that happened, so it's really quite beautiful and very unique."

The price of exclusivity in a pandemic

Interiors in the area are appropriately swanky. Sotheby's International Realty

The hedged, gilded estates of the Hamptons that populate larger neighboring towns exist here, too, but in a more rural, rustic setting, according to Sotheby's agent Marilyn Clark, who grew up in East Hampton and has been both a resident of and realtor in



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never been more sought after than in 2020, thanks to the surge in buyers looking for spacious enclaves to ride out the pandemic.

While the median home price in all of Sagaponack in 2019 was \$3.9 million, it has jumped by 4.5% in 2020 to just over \$4 million, Clark said. And the number may increase once some luxury houses that are currently in contract close, Clark said, further boosting the median price.

Property Shark's study of the country's most expensive ZIP codes spotlighted 11962, which is the swath of Sagaponack south of Montauk Highway. Sagaponack extends north of the highway, too, which is where Wolffer is located. Properties there can trade for more reasonable prices, sometimes even in the \$1 to \$2 million range.

READ MORE: The typical price for a Hamptons house rose to the highest level in more than 13 years

Another sign of a booming market: The number of annual home sales has also



~~Long Island Transfer Report. Sales volume through November 2019 totaled more than~~
\$220 million, of which more than \$184 million was for properties in Sagaponack Village.

As of November 2020, Clark said, there have been 50 transactions in Sagaponack — plus an additional 25 properties currently in contract. Sales volume now stands at over \$275 million, of which more than \$223 million is for property in Sagaponack Village.

Marilyn Clark. Jaime Lopez/Marilyn Clark

In January, "Hidden Figures" producer and Sagaponack native Jenno Topping paid \$7.95 million for the historic Halseycot home half a mile from the beach in her



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sold for the princely sum of \$20 million, [according to The Post](#). Inspired by Malibu-style homes, the contemporary spread has multiple terraces, a pool and a sunken L-shaped seating area with an outdoor gas fireplace modeled after the design of a luxurious Aman resort.

Even before the pandemic, locals told Business Insider, interest in Sagaponack had been ramping up as more people learned of the hidden hamlet.

But this year's property market, steered upward by those looking for a reprieve from New York City amid the COVID-19 crisis, has been even more robust.

The Hamptons' real-estate scene usually freezes up in winter. But not this year: The buyers keep coming.

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