



LUXURY REAL ESTATE, EAST END

The Sag Harbor

Buyer & Relocation Guide

Jennifer Ponzini

Associate Broker, Douglas Elliman

jennifer.ponzini@elliman.com

631-207-5820

Welcome to Sag Harbor

Sag Harbor is unlike anywhere else on the East End. A working port turned literary and artistic haven, it's the rare Hamptons village with a real Main Street — bookstores, a century-old cinema marquee, the American Hotel, and a harbor still busy with boats rather than just views of one. It sits at the crossroads of two townships, East Hampton and Southampton, giving it a distinct identity from either.

This guide walks through what to expect as a buyer relocating to or investing in Sag Harbor — from the village itself, to the mechanics of a New York purchase, to the one line item that surprises almost every out-of-state buyer: the Peconic Bay transfer tax.

Areas of Sag Harbor

"Sag Harbor" covers a few distinct areas with different local governments. None is better or more desirable than another — they simply differ in governance, lot sizes, and proximity to the harbor, and different buyers prioritize different things. Here's the factual layout:

Incorporated Village of Sag Harbor

The Village boundaries include the historic Main Street core along with surrounding residential sections such as Sag Harbor Hills and Redwood. All properties within these Village boundaries fall under the Village of Sag Harbor's own zoning and building jurisdiction, regardless of lot size or distance from Main Street.

Village of North Haven

North Haven is its own incorporated village, just across the bridge from Sag Harbor Village, with its own local government, zoning code, and Building Department. Unlike Sag Harbor Village, North Haven sits entirely within the Town of Southampton — it isn't split between two towns. Residents pay both a Southampton Town property tax and a separate, smaller Village of North Haven tax, and rely on Southampton Town Police for law enforcement, even though building permits and zoning go through North Haven's own Village Hall.

Noyac and surrounding areas

Areas like Noyac sit outside both the Sag Harbor and North Haven village limits, in unincorporated Southampton Town — building and zoning matters there go directly through the Town of Southampton rather than a village office.

Village vs. Town: Two Townships, One Village

This is the detail almost no one explains to buyers moving here, and it genuinely matters. The Incorporated Village of Sag Harbor sits inside two separate townships at once — roughly three-fifths of the village is in the Town of Southampton, and two-fifths is in the Town of East Hampton. The dividing line runs down Division Street (it becomes Town Line Road south of the village), a boundary old enough that, as local history has it, one side of the street was once "dry" and the other "wet" under differing town liquor laws.

Most of the village's postcard landmarks — Main Street, the Old Whalers' Church, John Jermain Memorial Library, the Whaling Museum, the Old Burying Ground, Oakland Cemetery, Mashashimuet Park, and Otter Pond — sit on the Southampton side. The Bay Street marina complex (including the Sag Harbor Yacht Club and Breakwater Yacht Club), the high school, and the golf course sit on the East Hampton side.

Why this matters practically

- Building permits & zoning: within the Sag Harbor Village boundaries — which include Sag Harbor Hills and Redwood as well as the Main Street core — permits and zoning go through the Village of Sag Harbor's own Building Department, regardless of which side of Division Street the property sits on. North Haven has its own separate Building Department too, though it sits entirely within Southampton Town

rather than straddling two towns the way Sag Harbor Village does. Areas outside all village limits, like Noyac, fall under Southampton Town's Building Division directly.

- Property taxes: the Village is the smaller taxing layer, but the underlying town still matters. A home on the Southampton side of the village pays Southampton Town tax rates plus the Village tax; a home on the East Hampton side pays East Hampton Town tax rates plus the Village tax. Two houses facing each other across Division Street can carry meaningfully different tax bills for this exact reason.
- The CPF transfer tax: unlike permits and property tax, this one is actually uniform across all of Sag Harbor — both East Hampton and Southampton fall into the same rate and exemption bracket, so the tax works out the same on either side of Division Street (details in the next section).
- School district: this one cuts across the town line rather than following it — the Sag Harbor Union Free School District draws students from both the Southampton and East Hampton portions of the area, so the town split doesn't necessarily mirror the school district lines.

If you're seriously considering a specific property, I'll confirm exactly which town and jurisdiction it falls under, and what that means for permits, taxes, and CPF paperwork, before you're deep into a deal — this is a five-minute check, not a guessing game.

Getting There & Getting Around

- Distance from Manhattan: approximately 100 miles / 2.5–3 hours by car depending on traffic (notoriously heavier Friday afternoons and Sunday evenings in season).
- Hampton Jitney: direct bus service from the East Side and other Manhattan stops, with a Sag Harbor stop.
- LIRR: nearest stations are Bridgehampton or East Hampton; a car or car service is needed from either into the village.
- East Hampton Airport (KJPX): private and charter flights; seasonal restrictions apply.

Schools

Sag Harbor is served primarily by the Sag Harbor Union Free School District — Pierson Middle/High School and Sag Harbor Elementary School, both in the village. Depending on the exact address, some surrounding areas may fall under neighboring districts — worth confirming the specific district for any address you're considering before making an offer.

How a Purchase Works in New York

New York is an attorney state — unlike many states where a title company alone can close a transaction, New York requires a real estate attorney to represent each side. A typical timeline:

- Offer accepted → deal memo circulated to both attorneys
- Inspection(s) — typically scheduled right after the offer is accepted, before contract signing
- Contract drafted, then a negotiated attorney review period (typically about a week)
- Signed contract + down payment held in escrow
- Mortgage contingency period, if financing (typically 30–45 days)
- Title search and survey review
- Closing — typically 45–75 days from signed contract, cash deals often faster

Every deal is different. Your attorney and I will map out the specific timeline once you're under contract — this is a general framework, not a guarantee.

Closing Costs — What Buyers Actually Pay

The figures below are typical estimates for a Sag Harbor purchase, not quotes — every transaction differs. Buyer costs generally include:

- Buyer's attorney — consult your attorney for an estimate
- Bank fees — \$750+, plus an application fee (~\$350+) and processing fee (~\$330+) if financing
- Appraisal fee — \$500–\$2,000
- Credit report fee — \$45–\$100+
- Bank attorney fee — \$750–\$1,000
- Tax escrow — typically 2–6 months of property taxes collected at closing
- Recording fees — approximately \$500–\$1,500
- Title insurance — rates are filed with the NY State Department of Insurance
- Municipal search fees — approximately \$425–\$650 per lot
- Mortgage recording tax, if financing — 1.05% of the loan amount in Suffolk County (notably higher in NYC, where it runs 2.05%–2.8% depending on loan size and property type)

New York State Mansion Tax

This applies in Sag Harbor and is worth planning for from the start of your search. The Mansion Tax is paid by the buyer on transactions that are fully residential and priced at \$1,000,000 or more.

- Rate: a flat 1% of the purchase price for any qualifying sale of \$1,000,000 or more — the rate does not increase at higher price points.

A \$2,500,000 Sag Harbor purchase owes \$25,000 in Mansion Tax alone (1% flat) — worth budgeting for from the start.

The Peconic Bay Community Preservation Fund (CPF) Tax

This is the line item that catches almost every buyer off guard, and it's unique to the five East End towns: East Hampton, Southampton, Shelter Island, Southold, and Riverhead. Both the East Hampton and Southampton portions of Sag Harbor fall into the same rate and exemption bracket, so — unlike building permits and property taxes — this particular tax works out the same no matter which side of Division Street a property sits on.

The basics

- Rate: 2.5% of the purchase price (a 2% Community Preservation Fund tax plus a 0.5% Community Housing Fund tax, in effect since April 1, 2023, in East Hampton, Southampton, Shelter Island, and Southold — Riverhead remains at 2%).
- Who pays: the buyer (the "grantee"), not the seller.
- When: due at closing, filed with the deed at the Suffolk County Clerk's office.
- Exemption: the first \$400,000 of an improved residential property is exempt, and the first \$100,000 is exempt for unimproved/vacant land — applies the same way on both the East Hampton and Southampton sides of Sag Harbor. There is no exemption at all once the purchase price reaches \$2,000,000 or more.
- A first-time homebuyer exemption also exists, with its own application process.

Rates and exemption rules are set by state and local law and can change. Please confirm current figures with your real estate attorney or title company before relying on them for a specific closing.

Worked example

For illustration only — a \$3,000,000 improved residential purchase in Sag Harbor:

Item	Amount
Purchase price	\$3,000,000
Less CPF exemption	– \$400,000
Taxable amount	\$2,600,000
CPF tax (2.5%)	\$65,000
Mansion Tax (1%)	\$30,000

Adding attorney fees, title insurance, and recording/municipal search fees brings estimated total buyer closing costs on this example to roughly \$115,000–\$120,000 or more — with the CPF tax and Mansion Tax together making up the bulk of it. Financed purchases add mortgage recording tax and lender fees on top.

Property Taxes & Insurance

Suffolk County property taxes are assessed locally and can vary meaningfully from property to property — always ask for the specific current tax bill on any property you're seriously considering rather than relying on a general average.

Septic systems are common throughout the Hamptons, and you may want to consider a septic inspection as part of your due diligence. Some properties are also on private wells rather than municipal water, and many use oil tanks for heat — for these, a water test and, where an oil tank is present, a soil test are worth budgeting for as part of your inspection process.

Coastal proximity means flood zone status and wind/hail coverage are worth investigating early, not at the last minute — flood insurance requirements and premiums can vary significantly block to block near the harbor and open water.

Roof age — a growing underwriting issue

This has become one of the most common insurance snags on Long Island, and it's worth checking before you're deep into contract, not after. Many carriers will not write a new policy on a home with a roof older than roughly 15–20 years, and some will decline to renew an existing policy at that age unless it passes a professional inspection or is replaced. Even when a carrier will still cover an older roof, it's common for coverage to shift from full replacement cost to actual cash value — meaning a payout that factors in depreciation rather than the cost of a full new roof.

Practically, that means: ask the roof's age early in your search, budget for a possible replacement if it's approaching that 15–20 year range, and get a professional roof inspection before removing your inspection contingency on anything where the age is unclear. It can also become a negotiating point — buyers on Long Island increasingly request a credit or a completed replacement when an older roof turns up during inspection.

A Few Honest Things to Know

- Inventory is limited and moves quickly in-season. Off-market and pocket listings are common here more than in many markets — worth having a broker actively looking on your behalf, not just browsing public listings.

- Historic and waterfront properties often carry additional considerations — flood zone, wetlands setbacks, and village or town historic-district review for exterior changes. These are worth understanding before you fall in love with a particular house.

Let's Talk

This guide is meant to orient you, not replace a conversation. Every property, every township line, and every buyer's situation is a little different — I'm happy to walk through your specific goals, budget, and timeline whenever you're ready.

Jennifer Ponzini

Associate Broker, Douglas Elliman

jennifer.ponzini@elliman.com | 631-207-5820

Copyright

© 2026 Jennifer Ponzini. All rights reserved. No portion of this publication may be reproduced, distributed, transmitted, displayed, or published in any form or by any means without the prior written permission of Jennifer Ponzini, except for brief quotations used for editorial or review purposes.

Disclaimer

This guide is provided for general informational and educational purposes only and is intended to offer an overview of the Sag Harbor real estate market and buying process. It is not intended to constitute legal, tax, financial, insurance, or investment advice. While every effort has been made to ensure the accuracy of the information contained in this guide, laws, tax rates, municipal regulations, zoning requirements, insurance underwriting standards, and market conditions are subject to change without notice. Readers should consult with their own attorney, accountant, lender, insurance professional, or other qualified advisor regarding their specific circumstances before making any real estate or financial decisions.

All real estate transactions are unique. Information contained herein should not be relied upon as a substitute for professional advice tailored to a particular property or transaction.