

# The Most Expensive Zip Codes

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What's the difference between 11962 and 28741? When it comes to house prices, the answer is \$2,125,000.

Those ZIP codes bookend Forbes.com's annual list of the priciest areas in the country--neighborhoods where home costs soar far above the norm. This year, we collected the top 500 most expensive ZIP codes in the U.S. They include the most famous (perhaps the only famous) ZIP in the country, Beverly Hills, 90210; some towns that are well-known for harboring ritzy residents; and neighborhoods that few besides locals have ever heard of.

But they do have a lot in common. The most expensive ZIP codes are, for the most part, the kinds of places you would expect them to be--at the ocean's edge, in lush valleys, on hillsides with magnificent views. They're well stocked with golf courses, country clubs and private docks.

Then there are the houses themselves. They're nice. Very nice. There are large vintage estates, as in 07976 (New Vernon, N.J.); shingled mansions surrounded by groomed lawns and high privet hedges, common in the best parts of the Hamptons; spanking-new McMansions; glitzy loft apartments; and coastal California towns crammed with beach houses, where there isn't room for huge residences but plenty of space for high prices.

Once again, our list was dominated by California ZIPs. The state took up just over half the space on our list, which shouldn't be a huge surprise. According to the National Association of Realtors, the median price for an existing home in California was the highest in the country at the end of 2005, just shy of \$600,000. Meanwhile, the national median was a bit more than \$200,000.

New York was also big in the list, taking up about 20% of the rankings; the rest was taken up by places like Massachusetts, Connecticut, Arizona and Maryland. They were mainly ZIP codes in upscale suburbs close to urban power centers or places where the wealthy vacation. Sagaponack (11962), located in the tony Hamptons, tops our list, with a median home price last year of nearly \$2.8 million. Several other Hamptons ZIPs also make the list, as do Southern California retreats and plenty of Lake Tahoe and Florida locales.

And what about 28741, the 500th ZIP on our list? That's Highlands, N.C., an Appalachian hamlet, but not a backwoods one--it's known for its country club communities.

Though some urban areas made our list, few were at the top. City ZIPs tend to be more diverse than suburban or resort areas, where all the houses are big and fancy. In New York City, you can still have small, dingy apartment buildings near flashy new condominiums. Still, a Tribeca ZIP code (10013) rang in as the 12th priciest on our list, with a median home price of just under \$1.9 million last year.

Though they seem to have been around forever, ZIP codes were only

implemented in the 1960s. The U.S. population was growing dramatically, as was the volume of business mail; the Postal Service needed a way to more efficiently sort and deliver. As everyday as ZIP codes are, many people don't realize how they work. The first of the five digits defines a broad region of the country (zero is the Northeast, nine is the West Coast). The second and third numbers are population centers and the final two are post offices or zones.

There are, of course, limits to the data. ZIP codes don't necessarily correspond with what people define as neighborhoods (which, in addition, change over time), so very wealthy neighborhoods may not be ranked as high as residents think they should. The median home price gives us a good estimate of where a market is. But it doesn't tell us what the most expensive properties in an area are. So, an apartment on Manhattan's Upper East Side might sell for \$20 million, but if the ZIP includes enough small apartment sales as well, the ZIP might be ranked lower than an area where prices top out at \$3 million but don't dip below \$1 million.

And you thought ZIP codes were free.

## Top 10 Most Expensive Zip Codes

1. 11962 - Sagaponack, Suffolk, NY
2. 92067 - Rancho Santa Fe, San Diego, CA
3. 92662 - Newport Beach, Orange, CA
4. 94528 - Diablo, Contra Costa, CA
5. 94957 - Ross, Marin, CA
6. 11976 - Water Mill, Suffolk, NY
7. 93108 - Santa Barbara, Santa Barbara, CA
8. 90402 - Santa Monica, Los Angeles, CA
9. 92661 - Newport Beach, Orange, CA
10. 33109 - Miami Beach, Miami-Dade, FL