

“The Barry brothers were into urban development long before it was cool”

City Boys

by Shanker P.

David and Michael Barry couldn't be happier with Governor James E. McGreevey's push to funnel development to the state's older cities. Applied Cos., the brothers' Hoboken firm has been building urban apartments, condos and shopping facilities for nearly 30 years. "We were the first in the state to be active in urban development," says David Barry, 37, the president of Applied Development, the company's construction arm. He and Michael Barry, 35, who heads Applied Management, the asset-management side of the business, now have some \$2 billion of projects underway or on the drawing board in New Jersey. The two units brought in more than \$250 million in total revenue last year, a level the Barrys expect to reach again this year.

The prime market for Barry projects consists of people 25- to 35 -years old, including childless couples and families with preschool children. "Ten years ago that market was in the 20 to 28 age group," says David Barry. Heading his agenda these days is a two-project, \$175 million venture in Long Branch. There, Applied is building 320 apartment units and 100,000 sq. ft. of retail space in a beachfront project called Pier Village at a cost of \$95 million. And Applied is teaming up with home builder Matzel and Mumford to develop Beachfront North, an \$80 million project that features 283 townhouses and condos.

Also, near groundbreaking is a \$35 mil-



David Barry

lion residential and retail venture in Jersey City's Journal Square. Twenty-six of the 130 units will be affordable housing, garnering tax credit for the company. Applied is partnering with Alpert & Alpert Development of Fort Lee, an expert in navigating the tax-credit process. The Barrys are embarking on these projects despite a slowdown in the market for multifamily units. "Demand for apartments is not outpacing supply with today's economy," says Michael Barry, who notes that rising unemployment has hurt the market.

Meanwhile, work has begun on \$480 million of Applied developments in northern and central New Jersey. These include The Independence at the Shipyard, a luxury complex with 335 apartments valued at \$150 million; HarborSpire in Jersey City, which has 862 upscale apartments valued at \$200 million; The Metropolitan in New Brunswick, a \$130 million 418 - units joint venture with two partners. Still in



Michael Barry

planning is Port Liberte in Jersey City, a \$1 billion project consisting of 2,500 apartments and condos and an 18-hole golf course.

Applied expects to be named developer for a Hoboken renewal site that includes a hotel. Insiders say the company will team on the project with Starwood Heller, an Edgewater investor-developer. In Hoboken, Applied and Starwood are also developing a \$125 million complex with 526 luxury rental residences and 61,000 sq. ft. of retail and office space. With the economy still flat, Michael Barry is taking advantage of low interest rates to refinance the portfolio. That is an attractive alternative to selling chunks of the portfolio to realize profits. Michael Barry says he regularly turns away institutional investors who seek a stake in the properties. The Barry's dictum, which they learned from their father, Joseph Barry, the retired company founder, is to keep what they have built.