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Putting Down Roots

BLACKSTONE REAL ESTATE HEAD JON GRAY DOES A DISTRESSED DEAL THAT GIVES A HARLEM SCHOOL A HOME.



Harlem Village Academies, led by Deborah Kenny, has grown to five schools in a decade.

JON GRAY'S DAY job is running Blackstone Group LP's \$57 billion real estate investment portfolio. His sideline? Buying property for a New York City charter school. Gray, chairman of the board of Harlem Village Academies, donated \$10 million last year to purchase a building on West 124th Street in northern Manhattan to serve as the organization's second elementary school. It will have room for 515 kids, and it opens in September. Gray is raising the \$15 million needed for renovations.

Founded a decade ago by Deborah Kenny, a former children's book publishing executive, HVA today includes two middle schools and a high school, and it's an open-enrollment program. That means students are selected by a lottery, not test scores or grades—which makes this



statistic more remarkable: Some 93 percent of the program's high school graduates go on to college. "Deborah's a powerhouse," Gray says. "She's building a world-class school."

The property Gray bought had belonged to a boys school with dwindling enrollment and was up for auction, he says, lapsing into the language of his professional life: "It was basically a distressed real estate deal." He compares it with Blackstone investing \$500 million in General Growth Properties Inc. in 2010, during its bankruptcy. "Like many things we do in real estate, distress creates an opportunity," he says. Gray has helped the school seize an opportunity it might have missed without a real estate heavyweight on its side.

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