

INTERCONTINENTAL EXCHANGE

The silver lining to the global credit crisis can be found in the capital of Iceland, where the devaluation of the króna has made a buyer's market of Reykjavík's world-class nightlife BY CRISTINA VELOCCI

THE LIFE

THERE'S NO END IN SIGHT. Such is the mood during today's financial turmoil — as each new thread of the economic blanket unravels with every bank failure, bailout and pyramid scheme. But today, that's not what I'm thinking about. Today, the end that is nowhere in sight actually resides some 2,600 miles from the Sturm und Drang of the Manhattan markets. Because today I stand outside the world's northernmost capital, gaping at an ethereal landscape of undulating jet-black lava fields that, thanks to the noticeable absence of trees, stretches as far as the eye can see.

Indeed, if peace, quiet and solitude are the commodities you seek, Iceland is your market. A Northern European island nation the size of Kentucky, yet populated by just 320,000 hardy souls, Iceland seems designed to ensure that one need not drive far from its capital city of Reykjavík (where some 60 percent of Icelanders live) to find themselves completely alone. Or, if you'd rather fill your head with noise and distractions, that city's world-renowned nightlife, innovative cuisine and adrenaline-inducing activities serves that purpose equally well.

Iceland is also a reminder that no matter how bad you think you've got it, there's always someone worse off than you: Taking the hardest hit in the global credit crisis, the nation's currency and stock market began to slide last September once it became nearly impossible for banks and businesses to turn over foreign-currency debts that outpaced Iceland's GDP by a factor of more than five. As you surely know, a month later, the nation's three banks — which together made up 90 percent of the country's financial system — failed, sending Iceland's króna into a spectacular freefall, losing nearly half its value in just a few months.

Recalling such horrors is not meant to be *schadenfreude*. Icelanders are a lovely people, and only a heartless bastard would wish finan-

cial calamity upon them. Still, it illustrates how one man's flameout can, as always, work in another man's favor. And with the dollar's buying power against the króna up 87 percent from last year, the luxurious hotels, four-star restaurants and flashy nightclubs that were for so long considered bracingly expensive are now all half-off, allowing even a downmarket trader to live like a downright king.

Or so the theory goes. Putting it to the test, I hopped a five-hour direct flight from New York to Reykjavík on Icelandair (800-223-5500; icelandair.us) in the dead of winter, with just five hours of daylight to cram in as many sights as I could see before spending the remaining darkness exploring the city's legendary nightlife. (Conversely, during the much warmer peak summer months of June through August, the sun never sets, giving revelers the excuse to party away a night that never actually comes.) And though an average temperature of 32 degrees is something most tend to travel away from, rather than toward, I am willing to weather one temporary, undesirable market condition in exchange for another highly favorable one.

WHERE TO STAY

After a brief overnight flight to Reykjavík, the fluffy down comforters in each of the 56 rooms at the elegant Hotel Borg (011-354-551-1440; en.hotelborg.is) are a welcome way to help reset one's internal clock. I share my ride over from Keflavik International Airport with an American businessman who has been traveling to Iceland for the past 10 years as a consultant to the geothermal energy plants that power the country. When I ask him if he usually makes his base at the Borg, he confesses that it's his first time staying there; it's the first time in he's been able to afford it.

When it was built in 1930, the Borg was Iceland's first luxury hotel, playing host to Hollywood royalty like Marlene Dietrich and actual



PHOTOGRAPH BY BERNHARD INGIMUNDARSON



IN THE BLUE:
The geothermally
heated waters of
the Blue Lagoon

CLOSE



DISTRESSED ECONOMY:
(Clockwise from left) The Golden Waterfall; Kaffi Sólón; 101 Hotel's chic lobby



royalty like King Christian the Tenth, of Denmark (and, at the time, Iceland). Since then, the hotel has undergone significant renovations — as have most of the city's accommodations in the past few years — adding to the carefully restored Art Deco interiors such modern touches as Bang & Olufsen phones, flat-screen satellite TVs, high-speed Internet access and Philippe Starck bathroom fixtures (including everyone's favorite cold-climate amenity: heated towel racks). The hotel's seven spacious suites come equipped with small chandeliers and parlors, although to truly feel like the king of the castle,

2003, this downtown boutique property also boasts such cutting-edge technology as radiant floor heating, iPod docking stations, DVD players and free Wi-Fi in every room. After night falls (which, in the winter, is usually around 4 P.M.), the lobby area transforms into the upscale 101 Hotel Lounge, attracting an artsy crowd that comes to linger over champagne cocktails by the fireplace.

Equally chic but more centrally located off Reykjavik's main artery of Laugavegur is the CenterHotel Thingholt (011-354-595-8530; centerhotels.com). The 52-room boutique

NOTHING CLEARS ONE'S HEAD — OR ONE'S HANGOVER — QUITE LIKE THE CRISP AIR OF ICELAND'S OUTDOORS.

the two-floor Tower Suite in the hotel's spire, with its own living room and 360-degree views of the city, is the money play.

For those who prefer more twenty-first-century charms, the stark interiors of the 38-room 101 Hotel (011-354-580-0101; 101hotel.is) are downright futuristic by comparison, with a minimalist monochromatic Scandinavian design filled with contemporary art. Opened in

the hotel joined the CenterHotel portfolio in December 2006 after extensive renovations under the direction of Icelandic architect Gulla Jonsdottir, whose work you might recognize from the Crescent Hotel in Beverly Hills and the Hollywood Roosevelt Hotel (oh, like you haven't been there). As a nod to Iceland's geology and heritage, leather tile floors and salmon fish-skin walls populate the subterranean lobby, while

black faux-crocodile-skin desks mingle with flat-screen TVs and free high-speed Internet in each of the rooms. Note to the somnolent: Regardless of where you stay, make sure to request a room facing inward to avoid being kept up all night by the raucous crowds filling the streets until 5 A.M. That is, unless you plan to join them — which, let's face it, is sort of the point.

WHERE TO PARTAKE

For such a compact city — which, by U.S. standards, could easily be classified as a large suburban town — the number of upscale restaurants in Reykjavik serving elaborate, often experimental cuisine is remarkable. (Related note: Iceland boasts more wine stewards per capita than any other country in the world.) Despite having long since evolved from heavy Scandinavian dishes, the native cuisine is still best divided into two categories: lamb and fish. And while this may sound as monotonous as listening to Hank Paulson read crop reports, the various interpretations local chefs bring to the, uh, table render it anything but.

The epicurious trader should begin, as I did, within the rough stone walls of the Seafood

PHOTOGRAPH BY DEBORAH BENBROOK WATERFALL

Cellar (011-354-511-1212; sjavarkjallarinn.is), where Asian influences, unusual presentation and an exotic three-course fish-and-meat menu have kept things interesting since it opened in the oldest cellar in Reykjavik in 2003. Widely regarded as the finest meal in town, it earns that reputation with a signature dish of tender langoustine smothered in foie gras sauce, topped with black truffles and served in a Mason jar. A few doors down, trendy newcomer Fish Market (011-354-578-8877; fiskmarkadurinn.is), which opened in August 2007, attracts a rollicking young crowd as much for the scene spread over two floors as for the Japanese take on local specialties (spicy langoustine broth served in a sake jug, seared tuna Maki stifled by a viscous soy sauce).

For Asian-inflected Icelandic cuisine done even better, head uptown to Domo (011-354-552-5588; domo.is), whose dimly lit black-and-red décor evokes a modern boudoir. Watch head chef Ragnar Omarsson prepare your sushi and sashimi from one of two long, high communal tables overlooking an open kitchen, or quietly savor each bite of a “surf and turf” made with pork and langoustine from a covert nook behind the 90 types of wine bottles

stored within the walls. If you prefer your local flavor unadulterated by influences and infusions, the city’s oldest, most traditional restaurant, Laekjarbrekka (011-354-551-4430; laekjarbrekka.is), specializes in three-course menus centered on classically prepared langoustine, mountain lamb and fish served in a two-story home built in 1834.

Much like the bars, Reykjavik’s restaurants quickly fill up on the weekends, so be sure to book ahead lest you end up eating hot dogs at Bæjarins Beztu Pylsur, a small waterfront shack on the harbor that’s been serving Iceland’s unofficial national food since 1937. Which actually wouldn’t be such a bad thing, considering it lives up to its name, which literally translates to “best hot dogs in town.” Saying the magic words *eina með öllu* gets you the works: a snappy dog over a bed of crispy fried onions layered with ketchup, sweet mustard and rémoulade sauce. Although simply ordering a “Clinton,” which comes the way President Bill had it on his visit here — just mustard — is equally acceptable (and delicious). It’s also much easier to pronounce, especially if you’re making this a late night stop en route home from the clubs.

A walk up the main strip of Laugavegur re-

veals countless artisanal coffee shops. And although Iceland’s is an inarguably cold climate, one might wonder if so many java joints are necessary. I would later learn there’s a perfectly good explanation, other than simple caffeine addiction: Most, if not all, of the cafes by day transform into bars and clubs at night, owing to the fact that Icelanders don’t head out until well past midnight on the weekends after they’ve finished pre-gaming at home.

One such institution — appropriately enough, a former bank — is B5 (011-354-552-9600; b5.is). It is, predictably, a popular hangout for bankers, likely for the thrill they get from partying in the old vaults that have been converted into a private lounge and whiskey bar downstairs. Further up the street, Kaffi Sólón (011-354-562-3232; solon.is) boasts a sultry vibe, high ceilings and a DJ after midnight. And whether it’s the London Underground sign above Kaffibarinn (011-354-551-1588; kaffibarinn.is) or the clamor caused by unruly patrons that’s more conspicuous is hard to say, but this bohemian dive part-owned by Blur frontman Damon Albarn packs in artists, musicians (locals Björk and Sigur Rós are known to stop by) and hipsters on a regular basis.

ICE, LAND:
Snow-covered
lava fields outside
Reykjavik



