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Former Ibiza site sold, may become boutique hotel

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The site of the former Ibiza nightclub is being readied for its next life.

D.C. developer Altus Realty bought the property at 1222 First St. NE for \$10.5 million from owner 1222-1st Street NE LLC and plans to either build a hotel or multifamily there, according to Altus partner Charlie Kehler.

Though Kehler declined to discuss the project further, the corporate registration of the entity that bought the property contains a big clue that a boutique brand hotel may be in the cards. One of the governors is a New York company called citizenM USA Properties 2 LLC.



COURTESY GOOGLE STREET VIEW

The site of the shuttered Ibiza nightclub was purchased by Altus Realty.

CitizenM is a European hotel chain that focuses on lower-cost, stylish hotels. While most of the properties are based in Europe, citizenM has begun expanding to the U.S. with two hotels in New York and one in Seattle, and others planned for Los Angeles and San Francisco. The first slated to open in Greater Washington is planned for 555 E St. SW.

Ibiza, one of several massive nightclubs that operated in Northeast D.C., from NoMa to Ivy City, before developers started eyeing the area, closed in 2015 after an eight-year run. It had a tumultuous last few years with infighting among its investors, a DCRA shutdown and incidents including a stabbing and a shooting that made news. Eventually, the D.C. Alcoholic Beverage Control Board revoked its liquor license and the club filed for Chapter 7 in July 2015.

If the property becomes a boutique hotel it will join several others opening in that part of town. A Virgin Hotel is planned for New York Avenue NE just a few blocks from Union Market, and developers are bringing a Mob Hotel, a French independent brand, to the corner of Fifth Street and Florida Avenue NE. Just across the train tracks, Trammell Crow Co. and its partners are opening The James Hotel at the Central Armature Works property.

A hotel on the Ibiza site would also join another from Altus in the same neighborhood. Altus acquired 35 New York Ave. NE earlier this year and plans to build a ground-up hotel there, according to a release from the company. A flag has not been revealed for that hotel.

The property at 1222 First St. NE could be developed with 130,000 square feet, including ground-floor retail along First Street, as a matter of right, according to Altus. Lindsay Stroud and Matt Brody at Savills Studley

arranged financing for the Altus acquisition; Lisa Benjamin and Steve Perkins of NGKF represented Altus.

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