

## **When a Dream Comes True — and Then Turns Into the Ultimate Nightmare**

Having owned a residence in Seychelles for over 50 years and having visited the country on average four to five times a year, I believed I had a deep understanding of how things worked in this island nation. I thought I knew the system well.

In the context of *Residence on the Rocks*, I initiated the return of the original Intendance beachfront property that had been owned by George Harrison and Peter Sellers after it had been nationalization. I then sold our original villa and, as a director and shareholder in the new Banyan Tree Resort owning company, agreed to invest in a residential property that was also intended to serve as a show villa for a planned residential component located above the resort.

Considerable time and effort were invested in creating the right product—one that aligned with Banyan Tree’s Creole design philosophy. Construction was completed in 2008, after which we furnished and equipped the villa with bespoke colonialretro pieces collected during travels around the world. Containers were shipped from India, Laos, Thailand, and Kenya.

Under our corresponding government sanction, the villa was required to operate as part and parcel of the resort, subject to a wide range of stipulations that were later formalized in the government’s Villa Policy. We complied fully with these requirements for ten years, during which time the Residence was marketed and rented under a service agreement with the Banyan Tree resort.

The property attracted a wide range of VIP clients, and on several occasions Banyan Tree management requested permission to upgrade dissatisfied hotel guests to *Residence on the Rocks*. Within two years, we also began receiving steady requests from repeat visitors. While the intention was never to operate the villa as a primarily commercial venture, the income generated was sufficient to cover operating costs, fund upgrades, and support a substantial budget for redecoration and maintenance.

This arrangement functioned well until Banyan Tree Holdings in Singapore decided to sell their majority shareholding to an Abu Dhabi–based company controlled by a senior member of a royal family. The new owners considered the original hotel product “oldfashioned” and not to their taste. They proceeded to bulldoze the entire resort, leaving only parts of the foundations intact.

What followed was a sustained campaign of harassment and intimidation, including repeated water and power cutoffs (Per the government sanctions, infrastructure services were delivered to the *Residence* through Banyan Tree). It was made clear that they had no intention of continuing the existing service agreement. Despite the fact that

they had purchased the company shares, their argument was that they were not responsible for the underlying contractual obligations. By 2020, we were forced to go to court. Only through an injunction, followed by a contemptofcourt ruling, were we able to secure the continuation of basic infrastructure services.

During this period, *Residence on the Rocks* was featured in an eightpage spread in *House & Garden*, which described it as the most exciting new accommodation product on Mahé.

The Abu Dhabi owners later made an offer to purchase the property at a small fraction of its market value, stating openly that they would not continue the original service agreement when the new resort opened—and that they had already informed the government of this position. They further indicated that if compelled to honor the agreement, they would not open the new resort at all.

Construction of the new resort dragged on for five years, despite the originally approved project proposal stipulating a twoyear reconstruction period. Those five years were marked by constant construction noise, dust, and repeated water and power disruptions. There were also five years with no rental income. On three occasions during the COVID period, we were forced to stay at Eden Bleu because it was impossible to obtain a health certificate for the Residence, which was no longer part of a licensed hotel. The newly introduced Travizory policy did not allow entry permits where accommodation lacked a corresponding health certificate.

An arbitration case was subsequently brought before the London Court of International Arbitration. We prevailed on the issue of infrastructure services. However, matters relating to the service agreement and operation under a hotel license were ruled to fall under Seychelles jurisdiction.

This led to further court cases: one against the Seychelles owning company for failing to honor the existing agreement, and another against the government for not enforcing national legislation under the Villa Policy and, in the case of private residences, the Investment Incentive Agreement and its stipulations.

This latter case remains ongoing. Four hearings have already been held, and on multiple occasions the testimony of a valuation expert flown in for the purpose was adjourned for various reasons. In the meantime, we received a new offer—four times higher than the original—once the Abu Dhabi owners realized that we were prepared to pursue the matter to its legal conclusion. Even so, the offer still fell short of the market value established during arbitration. The continuing case therefore addresses five years of lost revenue and the overall loss of value resulting from the absence of a service agreement and hotel license.

At the end of last year, the escrow period expired and we handed over the property. During a final visit in November—yet another court appearance—I invited the new General Manager of the nowopen Cheval Blanc Resort to visit the villa. Like most firsttime visitors, he was astonished to learn that the sale was for an unfurnished and vacant property, rather than a turnkey offering.

I made a lastditch effort to preserve the integrity of the product by offering a fully furnished “walkin” version at minimal additional cost. The response was blunt: the new owners were “not interested in all this old stuff.” A final, unnecessary insult.

The reason for placing this account on the record is simple. I continue to receive calls from former guests hoping to rebook, only to be told that *Residence on the Rocks* no longer exists. They then ask whether I can recommend a similar product on Mahé, or advise on something comparable they might purchase.

My hope is that future investors considering private property in Seychelles may come across this account as part of their due diligence—and gain a clearer understanding of governance shortcomings and, yes, corruption, which can and do catch up with unsuspecting foreign investors.

The documentation that follows further illustrates this particular saga. It should not, however, be viewed as an isolated case.