

# Island Homes

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## Real Estate Investor Shares “Recipes” For Success



*Dionisios Nicholas*

What does it take to become a successful real estate investor? According to Dionisios Nicholas the first qualification is confidence in your ability to succeed and then a mentor to steer you in the right direction.

Over the past two years, since his retirement from the U. S. Marine Corps as a Master Sergeant, Nicholas has invested in a diversity of properties, including highrise condos, duplexes, town-homes, single family homes, raw land, and even a ranch. The properties are located in Hawaii, the Mainland U.S., and Costa Rica. He is now looking at the potential of investment in Asian markets.

With a limited amount of capital initially and no formal background in the real estate business, he is now the owner of seven income producing properties, most of which have already increased in value.

Disabled as a result of a back injury sustained in the line of duty, and now considered totally disabled, Nicholas attributes his current good fortune to what at the time was a major misfortune. When three operations produced no appreciable results, he realized that he had to come up with a new way to make a living that would require no physical exertion.

"I have always been goal-oriented, from the time of my childhood and through my years of service in the Marine Corps, which I entered at the age of 21," Nicholas said. Now my goals are very different. To increase wealth had never been my goal as a career Marine...and, if it were not for my disability, I would still be in the Corps.

"I spent about a year reading, studying, and exploring a number of possibilities. My wife and I have three sons in their early teens and whatever I decided to do, it was important to generate income as quickly as possible. I knew real estate investment could be lucrative but had no first hand knowledge of specific cases in which people who were new to the business and had minimal capital achieved success. At this point I found out about Michael Mazzella, who not only has a verifiable record of success in real estate investment but serves as a mentor for both novice and experienced investors."

After one meeting with Mazzella, Nicholas decided to enroll in his course, which was a one-on-one, intensive four-day program with nine hours of instruction a day.

The stated mission of Mazzella's [HonoluluMentor.com](http://HonoluluMentor.com), which he has operated since 2005, is "to train and enable people to create first-generation wealth through intelligent real estate investing." The four-day intensive mentor program is followed by thirty days of telephone or email coaching. Students receive a course manual, handouts, forms, contracts, business plans, and software and take several field trips during the course to find deals. They also interview mortgage brokers and real estate agents who work with Mazzella and his students on a regular basis.

"Mazzella explains the investment process in detail," Nicholas said. "We learned how he

finds the properties, how he finances the deals, how to conduct due diligence and estimate anticipated net profit. He emphasizes that this type of investing is really a science and requires a thorough analysis of the market and careful evaluation of the property."

Nicholas's first investment was a townhome in Salt Lake. "What attracted me to this property was the size, 1,500 square feet with three bedrooms and two and a half baths, and the location near military bases, Aloha Stadium, shopping, and a bus line. The split level layout of the apartment was also attractive and the building has a lot of recreational amenities, including a tennis court, swimming pool, and barbecue facilities. I saw it as a good investment as a family home and it was well priced in the mid \$300,000s...it has already appreciated one hundred thousand dollars in value."

But how does someone with limited financial resources manage to start acquiring properties? Nicholas says you have to learn to be resourceful. "There are many ways to find money if you create a plan and are really persistent...personal loans, bank loans, lines of credit, credit cards. You can also find other partners, possibly family members or other savvy investors. You also have to learn how to work with lenders to get the kind of loan you want, become a negotiator. And to do all this you have to believe in yourself and definitely do your homework. Draw up a plan and stick to it. Be confident that when you make the right deal in real estate, the money will come back. The first deal is the hardest, and my first investment started off with a negative cash flow. However, I was able to refinance on my own terms and dropped my interest by one and a half percentage points. Within one year, the rent I was getting was sufficient to cover the mortgage payment and association fees with enough profit and equity to start working on my next deal.

"My second investment was in Ocala, Florida...a one-acre ranch with a custom home in a private area. Before proceeding, I completed my due diligence and consulted with Mazzella. I generally run a Q and A with him before I make a move just to be sure and we always seem to be on the same sheet of music. I'm a good student, so if you teach me well, I will demonstrate. In this case, I made another successful investment when most Florida investors were taking a huge hit. The property is now rented out.

"My third purchase was four properties in Biloxi, Mississippi that I saw on an investing tour with Mazzella and his Honolulu Mentor group. Two of these are in the Bacaran Bay Casino...two bedroom suites with a balcony and a view and a lot of first class amenities including a \$40,000 furniture package. I also bought a duplex which will serve as a rental for construction workers and their families who have moved there to rebuild Biloxi. What drew us to this area was Mazzella's discovery of two Federal government programs, the Go Zone Act and the Small Rental Assistance Program, which were created following Katrina to assist investors in rebuilding the Gulf Coast.

"About a year and a half ago I began researching the potential of investing in property in Costa Rica. I did this one on my own exclusively through the internet. Eventually I found a one-acre ocean-view property in a subdivision where the lots are being prepared for custom

built homes. I was actually able to pay cash for the property and I plan to go there and build a home sometime in the near future."

Born in Montreal, Nicholas and his family immigrated to the U. S. in the late 1960s and settled in Los Angeles. While still in the Marine Corps and based in Japan, he became friendly with a fellow Marine, Peter Hopley, a resident of Hawaii. "We talked about Hawaii and Hopley convinced me not only that it would be a great place to live but that I would be able to buy a house despite discouraging reports of high prices. As it turned out, his wife Jennifer Hopley and her sister Kim Soares are the daughters of East Oahu Realty owner Jack Leslein. When I was assigned to Hawaii in 2003, Kim sold us our first home in Mililani, which has proved to be an ideal location and great family neighborhood.

"Again, I found that when you network with the right people, good things happen. There is a saying in the Marine Corps that 'No Marine walks point alone,' a principle that has guided me both in my military career and in civilian life. In real estate investing, or to meet any challenge in life, your chances of success are greatly improved when you surround yourself with like-minded people... 'can do' thinkers instead of 'might do,' 'can't do,' or 'won't do.' There's also a certain amount of serendipity and providence involved. So often, I have found myself in the right place at the right time and been guided to make the right move. My advice to would-be investors is to take advantage of the opportunities when they come up. This is where a lot of people go wrong. They don't really have full confidence in their plan. They hesitate, and the deal is lost.

"However, society is dynamic and there are plenty of deals out there for everyone who has the desire and the will to succeed. Another part of my recipe for success is to create a win-win situation with your team...the bankers, loan officers, real estate agents, co-investors. Now everyone in my deals is making some money. Real estate investing is an art as well as a science...the more you do it, the better you become, and the greater the wealth you can accumulate."