You might be asking, if real estate is a safe investment, then why does it seem to be the main culprit of financial crises? For instance, even after three decades, Japan is still suffering from the financial crisis caused by the collapse of its real estate market. Moreover, the cause of 2007's financial crisis which hit the whole world started in America's real estate sector, and the situation isn't looking any better in Spain right now. The question is: What are the signs that can tell us when the real estate market is getting risky, threatening investors, financial institutions, and the economies of entire countries? In reality, real estate is innocent of these crises. The real cause is with banks which, when its liquidity increases, it begins to treat real properties as financial products through financing programs that only work for stocks and derivatives. Unlike stocks and other financial instruments, properties are difficult to liquidate, taking time to sell, and each property is completely unique from the other and cannot be easily categorized for trading the same way as stocks. Those financing schemes were developed out of the greed of some financial institutions which collapsed overnight, and without the intervention of bail-out programs and central banks around the world, their names would have disappeared by now. I was a client of one of those American banks and my account manager was a lady who visited her clients regularly, selling them as much as she could of her bank's great products. On one of her visits she told me that her management was very concerned because my account was almost inactive. I replied that I was a more traditional trader and I only bought what I understood. I went on, "Besides, products linked to financial derivatives are hardly investments. They're little more than a type of gambling. What's even more dangerous are the real estate products you are marketing. They'll lead you into bankruptcy". Of course, she didn't like what I said one bit, and responded, "We're one