UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from ______________ to ______________

Commission File Number 001 – 32205

CBRE

CBRE GROUP, INC.
(Exact name of Registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**94-3391143** **(I.R.S. Employer Identification Number)**
400 South Hope Street, 25th Floor **Los Angeles, California** **(Address of principal executive offices)**	**90071** **(Zip Code)**
(213) 613-3333 **(Registrant's telephone number, including area code)**	**Not applicable** **(Former name, former address and former fiscal year, if changed since last report)**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	"CBRE"	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of Class A common stock outstanding at April 30, 2019 was 336,277,673.

FORM 10-Q

March 31, 2019

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CBRE GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Dollars in thousands, except share data)

	March 31, 2019	December 31, 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 604,952	$ 777,219
Restricted cash	82,716	86,725
Receivables, less allowance for doubtful accounts of $60,115 and $60,348 at March 31, 2019 and December 31, 2018, respectively	3,801,474	3,668,591
Warehouse receivables	1,548,249	1,342,468
Contract assets	295,403	307,020
Prepaid expenses	248,359	254,892
Income taxes receivable	58,337	71,684
Other current assets	357,370	245,611
Total Current Assets	6,996,860	6,754,210
Property and equipment, net	730,450	721,692
Goodwill	3,663,882	3,652,309
Other intangible assets, net of accumulated amortization of $1,229,297 and $1,180,393 at March 31, 2019 and December 31, 2018, respectively	1,338,646	1,441,308
Operating lease assets	938,681	—
Investments in unconsolidated subsidiaries	228,406	216,174
Deferred tax assets, net	80,537	51,703
Other assets, net	715,546	619,397
Total Assets	$ 14,693,008	$ 13,456,793
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 1,833,841	$ 1,919,827
Compensation and employee benefits payable	1,152,035	1,121,179
Accrued bonus and profit sharing	656,123	1,189,395
Operating lease liabilities	185,457	—
Contract liabilities	115,137	82,227
Income taxes payable	53,795	68,100
Short-term borrowings:		
Warehouse lines of credit (which fund loans that U.S. Government Sponsored Enterprises have committed to purchase)	1,561,207	1,328,761
Revolving credit facility	336,000	—
Total short-term borrowings	1,897,207	1,328,761
Current maturities of long-term debt	2,573	3,146
Other current liabilities	113,914	90,745
Total Current Liabilities	6,010,082	5,803,380
Long-term debt, net of current maturities	1,760,181	1,767,260
Non-current operating lease liabilities	969,216	—
Non-current tax liabilities	175,139	172,626
Deferred tax liabilities, net	126,384	107,425
Other liabilities	447,790	596,200
Total Liabilities	9,488,792	8,446,891
Commitments and contingencies	—	—
Equity:		
CBRE Group, Inc. Stockholders' Equity:		
Class A common stock; $0.01 par value; 525,000,000 shares authorized; 336,266,487 and 336,912,783 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	3,363	3,369
Additional paid-in capital	1,126,984	1,149,013
Accumulated earnings	4,675,201	4,504,684
Accumulated other comprehensive loss	(716,169)	(718,269)
Total CBRE Group, Inc. Stockholders' Equity	5,089,379	4,938,797
Non-controlling interests	114,837	71,105
Total Equity	5,204,216	5,009,902
Total Liabilities and Equity	$ 14,693,008	$ 13,456,793

The accompanying notes are an integral part of these consolidated financial statements.

CBRE GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except share data)

	Three Months Ended March 31,	
	2019	**2018**
Revenue	$ 5,135,510	$ 4,673,952
Costs and expenses:		
Cost of services	4,022,034	3,619,961
Operating, administrative and other	792,876	732,235
Depreciation and amortization	105,823	108,165
Intangible asset impairment	89,037	—
Total costs and expenses	5,009,770	4,460,361
Gain on disposition of real estate	19,247	18
Operating income	144,987	213,609
Equity income from unconsolidated subsidiaries	72,664	40,179
Other income (loss)	20,853	(4,280)
Interest income	1,534	3,621
Interest expense	22,726	28,858
Write-off of financing costs on extinguished debt	2,608	27,982
Income before provision for income taxes	214,704	196,289
Provision for income taxes	43,878	46,164
Net income	170,826	150,125
Less: Net income (loss) attributable to non-controlling interests	6,417	(163)
Net income attributable to CBRE Group, Inc.	$ 164,409	$ 150,288
Basic income per share:		
Net income per share attributable to CBRE Group, Inc.	$ 0.49	$ 0.44
Weighted average shares outstanding for basic income per share	336,020,431	338,890,098
Diluted income per share:		
Net income per share attributable to CBRE Group, Inc.	$ 0.48	$ 0.44
Weighted average shares outstanding for diluted income per share	340,158,399	342,589,810

The accompanying notes are an integral part of these consolidated financial statements.

CBRE GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(Dollars in thousands)

	Three Months Ended March 31,	
	2019	2018
Net income	$ 170,826	$ 150,125
Other comprehensive income:		
Foreign currency translation gain	937	66,032
Adoption of Accounting Standards Update 2016-01, net of tax	—	(3,964)
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	410	755
Unrealized (losses) gains on interest rate swaps, net of tax	(59)	603
Unrealized holding gains (losses) on available for sale debt securities, net of tax	755	(505)
Other, net	1	5,528
Total other comprehensive income	2,044	68,449
Comprehensive income	172,870	218,574
Less: Comprehensive income (loss) attributable to non-controlling interests	6,361	(358)
Comprehensive income attributable to CBRE Group, Inc.	$ 166,509	$ 218,932

The accompanying notes are an integral part of these consolidated financial statements.

CBRE GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in thousands)

	Three Months Ended March 31,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 170,826	$ 150,125
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	105,823	108,165
Amortization and write-off of financing costs on extinguished debt	4,175	29,733
Gains related to mortgage servicing rights, premiums on loan sales and sales of other assets	(53,517)	(45,078)
Intangible asset impairment	89,037	—
Net realized and unrealized (gains) losses from investments	(20,853)	4,280
Provision for doubtful accounts	1,867	5,601
Compensation expense for equity awards	29,271	29,570
Equity income from unconsolidated subsidiaries	(72,664)	(40,179)
Distribution of earnings from unconsolidated subsidiaries	77,158	45,182
Proceeds from sale of mortgage loans	4,453,797	2,910,181
Origination of mortgage loans	(4,646,348)	(3,132,008)
Increase in warehouse lines of credit	232,446	237,239
Tenant concessions received	3,464	12,634
Purchase of equity securities	(62,117)	(23,569)
Proceeds from sale of equity securities	25,730	20,001
(Increase) decrease in receivables, prepaid expenses and other assets (including contract and lease assets)	(172,218)	69,971
Decrease in accounts payable and accrued expenses and other liabilities (including contract and lease liabilities)	(33,982)	(146,221)
Decrease in compensation and employee benefits payable and accrued bonus and profit sharing	(519,719)	(483,031)
(Increase) decrease in income taxes receivable/payable	(11,344)	4,668
Other operating activities, net	(2,721)	(7,222)
Net cash used in operating activities	(401,889)	(249,958)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(47,665)	(46,724)
Acquisition of businesses, including net assets acquired, intangibles and goodwill, net of cash acquired	(2,142)	—
Contributions to unconsolidated subsidiaries	(23,562)	(10,611)
Distributions from unconsolidated subsidiaries	5,974	15,216
Purchase of equity securities	(2,867)	(10,219)
Proceeds from sale of equity securities	4,356	4,367
Purchase of available for sale debt securities	—	(12,066)
Proceeds from the sale of available for sale debt securities	603	2,264
Other investing activities, net	679	(6,439)
Net cash used in investing activities	(64,624)	(64,212)

The accompanying notes are an integral part of these consolidated financial statements.

CBRE GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)
(Dollars in thousands)

	Three Months Ended March 31,	
	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from senior term loans	300,000	550,000
Repayment of senior term loans	(300,000)	—
Proceeds from revolving credit facility	507,000	898,000
Repayment of revolving credit facility	(171,000)	(435,000)
Repayment of 5.00% senior notes (including premium)	—	(820,000)
Repurchase of common stock	(45,088)	—
Acquisition of businesses (cash paid for acquisitions more than three months after purchase date)	(17,185)	(8,049)
Units repurchased for payment of taxes on equity awards	(9,186)	(4,550)
Non-controlling interest contributions	40,774	1,595
Non-controlling interest distributions	(1,347)	(1,025)
Payment of financing costs	(3,374)	(39)
Other financing activities, net	(566)	413
Net cash provided by financing activities	300,028	181,345
Effect of currency exchange rate changes on cash and cash equivalents and restricted cash	(9,791)	29,819
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(176,276)	(103,006)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, AT BEGINNING OF PERIOD	863,944	824,819
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, AT END OF PERIOD	$ 687,668	$ 721,813
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 33,606	$ 48,994
Income taxes, net	$ 54,241	$ 37,219

The accompanying notes are an integral part of these consolidated financial statements.

CBRE GROUP, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(Dollars in thousands)

	CBRE Group, Inc. Shareholders					
	Class A common stock	Additional paid-in capital	Accumulated earnings	Accumulated other comprehensive loss	Non-controlling interests	Total
Balance at December 31, 2018	$ 3,369	$ 1,149,013	$ 4,504,684	$ (718,269)	$ 71,105	$ 5,009,902
Net income	—	—	164,409	—	6,417	170,826
Compensation expense for equity awards	—	29,271	—	—	—	29,271
Units repurchased for payment of taxes on equity awards	—	(9,186)	—	—	—	(9,186)
Repurchase of common stock	(11)	(45,077)	—	—	—	(45,088)
Foreign currency translation gain (loss)	—	—	—	993	(56)	937
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	—	—	—	410	—	410
Unrealized losses on interest rate swaps, net of tax	—	—	—	(59)	—	(59)
Unrealized holding gains on available for sale debt securities, net of tax	—	—	—	755	—	755
Contributions from non-controlling interests	—	—	—	—	40,774	40,774
Distributions to non-controlling interests	—	—	—	—	(1,347)	(1,347)
Other	5	2,963	6,108	1	(2,056)	7,021
Balance at March 31, 2019	$ 3,363	$ 1,126,984	$ 4,675,201	$ (716,169)	$ 114,837	$ 5,204,216

	CBRE Group, Inc. Shareholders					
	Class A common stock	Additional paid-in capital	Accumulated earnings	Accumulated other comprehensive loss	Non-controlling interests	Total
Balance at December 31, 2017	$ 3,395	$ 1,220,508	$ 3,443,007	$ (552,414)	$ 60,118	$ 4,174,614
Net income (loss)	—	—	150,288	—	(163)	150,125
Adoption of Accounting Standards Update 2016-01, net of tax	—	—	3,964	(3,964)	—	—
Compensation expense for equity awards	—	29,570	—	—	—	29,570
Units repurchased for payment of taxes on equity awards	—	(4,550)	—	—	—	(4,550)
Foreign currency translation gain (loss)	—	—	—	66,227	(195)	66,032
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	—	—	—	755	—	755
Unrealized gains on interest rate swaps, net of tax	—	—	—	603	—	603
Unrealized holding losses on available for sale debt securities, net of tax	—	—	—	(505)	—	(505)
Contributions from non-controlling interests	—	—	—	—	1,595	1,595
Distributions to non-controlling interests	—	—	—	—	(1,025)	(1,025)
Other	2	723	(5,506)	5,528	713	1,460
Balance at March 31, 2018	$ 3,397	$ 1,246,251	$ 3,591,753	$ (483,770)	$ 61,043	$ 4,418,674

The accompanying notes are an integral part of these consolidated financial statements.

CBRE GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

Readers of this Quarterly Report on Form 10-Q (Quarterly Report) should refer to the audited financial statements and notes to consolidated financial statements of CBRE Group, Inc., a Delaware corporation (which may be referred to in these financial statements as "the company," "we," "us" and "our"), for the year ended December 31, 2018, which are included in our 2018 Annual Report on Form 10-K (2018 Annual Report), filed with the United States Securities and Exchange Commission (SEC) and also available on our website (www.cbre.com), since we have omitted from this Quarterly Report certain footnote disclosures which would substantially duplicate those contained in such audited financial statements. You should also refer to Note 2, Significant Accounting Policies, in the notes to consolidated financial statements in our 2018 Annual Report for further discussion of our significant accounting policies and estimates.

The accompanying consolidated financial statements have been prepared in accordance with the rules applicable to quarterly reports on Form 10-Q and include all information and footnotes required for interim financial statement presentation, but do not include all disclosures required under accounting principles generally accepted in the United States (U.S.), or GAAP, for annual financial statements. In our opinion, all adjustments (consisting of normal recurring adjustments, except as otherwise noted) considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported and reported amounts of revenue and expenses. Such estimates include the value of goodwill, intangibles and other long-lived assets, real estate assets, accounts receivable, contract assets, operating lease assets, investments in unconsolidated subsidiaries and assumptions used in the calculation of income taxes, retirement and other post-employment benefits, among others. These estimates and assumptions are based on our best judgment. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, including consideration of the current economic environment, and adjust such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in these estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

Certain reclassifications have been made to the 2018 financial statements to conform with the 2019 presentation.

2. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

The Financial Accounting Standards Board (FASB) previously issued six Accounting Standards Updates (ASUs) related to leases. The ASUs issued were: (1) in February 2016, ASU 2016-02, "*Leases (Topic 842)*", (2) in January 2018, ASU 2018-01, "*Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842*", (3) in July 2018, ASU 2018-10, "*Codification Improvements to Topic 842, Leases*", (4) in July 2018, ASU 2018-11, "*Targeted Improvements*", (5) in December 2018, ASU 2018-20, "*Leases (Topic 842): Narrow-Scope Improvements for Lessors*" and (6) in March 2019, ASU 2019-01, "*Leases (Topic 842): Codification Improvements.*" ASU 2016-02 requires lessees to recognize most leases on the balance sheet as liabilities, with corresponding right-of-use assets. For income statement recognition purposes, leases will be classified as either a finance or operating lease in a manner similar to the requirements under the previous lease accounting literature, but without relying upon the bright-line tests. The amendments in ASU 2018-01 specify how land easements are within the scope of ASC 842 and permit a practical expedient to not assess whether expired or existing land easements that were not previously accounted for as leases are leases under ASC 842. The amendments in ASU 2018-10 affect narrow aspects of the guidance issued in the amendments in ASU 2016-02. The amendments in ASU 2018-11 provide an optional method for adopting the new leasing guidance and provide lessors with a practical expedient to combine lease and associated non-lease components by class of underlying asset in contracts that meet certain criteria. The amendments in ASU 2018-20 provide an accounting policy election permitting lessors to treat certain

sales and other similar taxes incurred as lessee costs, guidance on the treatment of certain lessor costs and guidance on recognizing variable payments for contracts with a lease and non-lease component. The amendments in ASU 2019-01 affect narrow aspects of the guidance issued in the amendments in ASU 2016-02. These ASUs are effective for annual periods in fiscal years beginning after December 15, 2018.

We adopted these ASUs in the first quarter of 2019 by using the optional transitional method associated withno adjustment to comparative period financial statements presented for prior periods. We elected certain practical expedients, including the package of transition practical expedients and the practical expedient to forego separating lease and non-lease components in our lessee contracts. We also made an accounting policy election to exempt short-term leases of 12 months or less from balance sheet recognition requirements associated with the new standard; fixed rental payments for short-term leases will be recognized as a straight-line expense over the lease term.

As a result of the adoption of the leasing guidance, the consolidated balance sheet as of January 1, 2019 reflected $1.2 billion of additional lease liabilities, along with corresponding right-of-use assets of $1.0 billion, reflecting adjustments for items such as prepaid and deferred rent, unamortized initial direct costs, and unamortized lease incentive balances. The adoption of the leasing guidance did not have a material impact on our consolidated statements of operations.

As of January 1, 2019, we account for leases in accordance with ASC Topic 842, "*Leases*." The present value of lease payments, which are either fixed payments, in-substance fixed payments, or variable payments tied to an index or rate are recognized on the balance sheet with corresponding lease liabilities and right-of-use assets upon the commencement of the lease. These lease costs are expensed over the respective lease term in accordance with the classification of the lease (i.e. operating versus finance classification). Variable lease payments not tied to an index or rate are expensed as incurred and not subject to capitalization.

In January 2017, the FASB issued ASU 2017-04, *"Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment."* This ASU eliminates Step 2 from the goodwill impairment test. This ASU also eliminates the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment. This ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within those years, with early adoption permitted. We elected to early adopt ASU 2017-04 in the first quarter of 2019. The adoption of ASU 2017-04 did not have any impact on our consolidated financial statements and related disclosures.

In March 2017, the FASB issued ASU 2017-08, *"Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities."* This ASU requires the premium to be amortized to the earliest call date. This ASU does not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within those years, with early adoption permitted. We adopted ASU 2017-08 in the first quarter of 2019 and the adoption did not have a material impact on our consolidated financial statements and related disclosures.

The FASB previously issued two ASUs related to derivatives and hedging. The ASUs issued were: (1) in August 2017, ASU 2017-12, *"Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities"* and (2) in October 2018, ASU 2018-16 *"Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting."* ASU 2017-12 refines and expands hedge accounting for both financial and commodity risks. ASU 2018-16 adds the OIS rate based on SOFR as a U.S. benchmark interest rate to facilitate the LIBOR to SOFR transition and provide sufficient lead time for entities to prepare for changes to interest rate risk hedging strategies for both risk management and hedge accounting purposes. These ASUs are effective for fiscal years beginning after December 15, 2018, and interim periods within those years, with early adoption permitted. We adopted these ASUs in the first quarter of 2019 and the adoption did not have a material impact on our consolidated financial statements and related disclosures.

In February 2018, the FASB issued ASU 2018-02, *"Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income."* This ASU provides an option to reclassify stranded tax effects within accumulated other comprehensive income to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the Tax

Cuts and Jobs Act (or portion thereof) is recorded. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, with early adoption permitted. We adopted ASU 2018-02 in the first quarter of 201 9 and the adoption did not have a material impact on our consolidated financial statements and related disclosures.

In July 2018, the FASB issued ASU 2018-09, *"Codification Improvements."* The amendments in ASU 2018-09 represent changes to clarify, correct errors in, or make minor improvements to the Codification, eliminating inconsistencies and providing clarifications in current guidance. This ASU is effective for fiscal years beginning after December 15, 2018. We adopted ASU 2018-09 in the first quarter of 2019 and the adoption did not have a material impact on our consolidated financial statements and related disclosures.

Recent Accounting Pronouncements Pending Adoption

The FASB previously issued two ASUs related to financial instruments – credit losses. The ASUs issued were: (1) in June 2016, ASU 2016-13,*"Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments"* and (2) in November 2018, ASU 2018-19 *"Codification Improvements to Topic 326, Financial Instruments—Credit Losses."* ASU 2016-13 is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. ASU 2018-19 clarifies that receivables arising from operating leases are not within the scope of the credit losses standard, but rather, should be accounted for in accordance with the leasing standard. These ASUs are effective for fiscal years beginning after December 15, 2019, and interim periods within those years, with early adoption permitted. We are evaluating the effect that ASU 2016-13 and ASU 2018-19 will have on our consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-13, *"Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement."* This ASU eliminates, adds and modifies certain disclosure requirements for fair value measurements. This ASU is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. As ASU 2018-13 only revises disclosure requirements, it will not have any impact on our consolidated financial statements. We are evaluating the effect, if any, that ASU 2018-13 will have on our disclosures.

In August 2018, the FASB issued ASU 2018-14, *"Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans."* This ASU makes minor changes to the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. This ASU is effective for fiscal years ending after December 15, 2020, with early adoption permitted. As ASU 2018-14 only revises disclosure requirements, it will not have any impact on our consolidated financial statements. We are evaluating the effect, if any, that ASU 2018-14 will have on our disclosures.

In October 2018, the FASB issued ASU 2018-17, *"Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities."* This ASU amends the guidance for determining whether a decision-making fee is a variable interest and requires organizations to consider indirect interests held through related parties under common control on a proportional basis rather than as the equivalent of a direct interest in its entirety (as currently required in GAAP). This ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within those years, with early adoption permitted. We are evaluating the effect that ASU 2018-17 will have on our consolidated financial statements and related disclosures.

In November 2018, the FASB issued ASU 2018-18, *"Collaborative Arrangements (Topic 808): Clarifying the Interaction Between Topic 808 and Topic 606."* This ASU provides guidance on how to assess whether certain transactions between collaborative arrangement participants should be accounted for within the revenue recognition standard and provides more comparability in the presentation of revenue for certain transactions between collaborative arrangement participants. This ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within those years, with early adoption permitted. We are evaluating the effect that ASU 2018-18 will have on our consolidated financial statements and related disclosures.

3. FacilitySource Acquisition

On June 12, 2018, CBRE Jason Acquisition LLC (Merger Sub), our wholly-owned subsidiary, and FacilitySource Holdings, LLC (FacilitySource), WP X Finance, LP and Warburg Pincus X Partners, LP (collectively, the Stockholders) entered into a stock purchase agreement and plan of merger (the Merger Agreement). As part of the Merger Agreement, (i) we purchased from the Stockholders all the outstanding shares of capital stock of FS WP Holdco, Inc (Blocker Corp), which owned 1,686,013 Class A units (the Blocker Units) and (ii) immediately following the acquisition of Blocker Corp, Merger Sub merged with FacilitySource, with FacilitySource continuing as the surviving company and our wholly-owned subsidiary within our Global Workplace Solutions segment (the FacilitySource Acquisition), with the remaining Blocker Units not held by Blocker Corp. canceled and converted into the right to receive cash consideration as set forth in the Merger Agreement. The estimated net initial purchase price was approximately $266.5 million, with $263.0 million paid in cash. We financed the transaction with cash on hand and borrowings under our revolving credit facility. We completed the FacilitySource Acquisition to help us (i) build a tech-enabled supply chain capability for the occupier outsourcing industry and (ii) drive meaningfully differentiated outcomes for leading occupiers of real estate.

The preliminary purchase accounting related to the FacilitySource Acquisition has been recorded in the accompanying consolidated financial statements (with no change in the first quarter of 2019). The excess purchase price over the estimated fair value of net assets acquired has been recorded to goodwill. The goodwill arising from the FacilitySource Acquisition consists largely of the synergies and economies of scale expected from combining the operations acquired from FacilitySource with ours. We are currently assessing if any portion of the goodwill recorded in connection with the FacilitySource Acquisition will be deductible for tax purposes, but do not expect any tax deductible goodwill to be significant. Given the complexity of the transaction, the calculation of the fair value of certain assets and liabilities acquired, primarily income tax items, is still preliminary. The purchase price allocation is expected to be completed as soon as practicable, but no later than one year from the acquisition date.

4. Warehouse Receivables & Warehouse Lines of Credit

Our wholly-owned subsidiary CBRE Capital Markets, Inc. (CBRE Capital Markets) is a Federal Home Loan Mortgage Corporation (Freddie Mac) approved Multifamily Program Plus Seller/Servicer and an approved Federal National Mortgage Association (Fannie Mae) Aggregation and Negotiated Transaction Seller/Servicer. In addition, CBRE Capital Markets' wholly-owned subsidiary CBRE Multifamily Capital, Inc. (CBRE MCI) is an approved Fannie Mae Delegated Underwriting and Servicing (DUS) Seller/Servicer and CBRE Capital Markets' wholly-owned subsidiary CBRE HMF, Inc. (CBRE HMF) is a U.S. Department of Housing and Urban Development (HUD) approved Non-Supervised Federal Housing Authority (FHA) Title II Mortgagee, an approved Multifamily Accelerated Processing (MAP) lender and an approved Government National Mortgage Association (Ginnie Mae) issuer of mortgage-backed securities (MBS). Under these arrangements, before loans are originated through proceeds from warehouse lines of credit, we obtain either a contractual loan purchase commitment from either Freddie Mac or Fannie Mae or a confirmed forward trade commitment for the issuance and purchase of a Fannie Mae or Ginnie Mae MBS that will be secured by the loans. The warehouse lines of credit are generally repaid within a one-month period when Freddie Mac or Fannie Mae buys the loans or upon settlement of the Fannie Mae or Ginnie Mae MBS, while we retain the servicing rights. Loans are funded at the prevailing market rates. We elect the fair value option for all warehouse receivables. At March 31, 2019 and December 31, 2018, all of the warehouse receivables included in the accompanying consolidated balance sheets were either under commitment to be purchased by Freddie Mac or had confirmed forward trade commitments for the issuance and purchase of Fannie Mae or Ginnie Mae mortgage-backed securities that will be secured by the underlying loans.

A rollforward of our warehouse receivables is as follows (dollars in thousands):

Beginning balance at December 31, 2018	$ 1,342,468
Origination of mortgage loans	4,646,348
Gains (premiums on loan sales)	8,515
Proceeds from sale of mortgage loans:	
Sale of mortgage loans	(4,445,282)
Cash collections of premiums on loan sales	(8,515)
Proceeds from sale of mortgage loans	(4,453,797)
Net increase in mortgage servicing rights included in warehouse receivables	4,715
Ending balance at March 31, 2019	$ 1,548,249

The following table is a summary of our warehouse lines of credit in place as of March 31, 2019 and December 31, 2018 (dollars in thousands):

			March 31, 2019		December 31, 2018	
Lender	Current Maturity	Pricing	Maximum Facility Size	Carrying Value	Maximum Facility Size	Carrying Value
JP Morgan Chase Bank, N.A. (JP Morgan)	10/21/2019	daily one-month LIBOR plus 1.30%	$ 985,000	$ 959,921	$ 985,000	$ 871,680
JP Morgan	10/21/2019	daily one-month LIBOR plus 2.75%	15,000	—	15,000	—
Capital One, N.A. (Capital One) (1)	7/27/2019	daily one-month LIBOR plus 1.35%	700,000	33,230	325,000	120,195
Fannie Mae Multifamily As Soon As Pooled Plus Agreement and Multifamily As Soon As Pooled Sale Agreement (ASAP) Program (2)	Cancelable anytime	daily one-month LIBOR plus 1.35%, with a LIBOR floor of 0.35%	450,000	123,237	450,000	149,089
TD Bank, N.A. (TD Bank)	6/30/2019	daily one-month LIBOR plus 1.20%	400,000	260,740	400,000	165,945
Bank of America, N.A. (BofA)	6/4/2019	daily one-month LIBOR plus 1.30%	225,000	184,079	225,000	21,852
BofA	6/4/2019	daily one-month LIBOR plus 1.15%	200,000	—	200,000	—
			$ 2,975,000	$ 1,561,207	$ 2,600,000	$ 1,328,761

(1) During 2018, the maximum facility size was temporarily increased to $325.0 million and reverted to $200.0 million on January 31, 2019. The line was then temporarily increased from $200.0 million to $700.0 million effective February 27, 2019. The maximum facility size reverted to $200.0 million on April 1, 2019.

(2) The maximum facility size was temporarily increased from $450.0 million to $575.0 million effective January 2, 2019. The maximum facility size reverted to $450.0 million on February 4, 2019.

During the three months ended March 31, 2019, we had a maximum of $2.5 billion of warehouse lines of credit principal outstanding.

5. Variable Interest Entities (VIEs)

We hold variable interests in certain VIEs in our Real Estate Investments segment which are not consolidated as it was determined that we are not the primary beneficiary. Our involvement with these entities is in the form of equity co-investments and fee arrangements.

As of March 31, 2019 and December 31, 2018, our maximum exposure to loss related to VIEs which are not consolidated was as follows (dollars in thousands):

	March 31, 2019	December 31, 2018
Investments in unconsolidated subsidiaries	$ 25,556	$ 23,266
Other current assets	3,940	3,827
Co-investment commitments	21,197	22,363
Maximum exposure to loss	$ 50,693	$ 49,456

6. Fair Value Measurements

Topic 820 of the FASB Accounting Standards Codification defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

There were no significant transfers in or out of Level 1 and Level 2 during the three months ended March 31, 2019 and 2018. There have been no significant changes to the valuation techniques and inputs used to develop the recurring fair value measurements from those disclosed in our 2018 Annual Report.

The following tables present the fair value of assets and liabilities measured at fair value on a recurring basis as ofMarch 31, 2019 and December 31, 2018 (dollars in thousands):

	As of March 31, 2019			
	Fair Value Measured and Recorded Using			
	Level 1	Level 2	Level 3	Total
Assets				
Available for sale securities:				
Debt securities:				
U.S. treasury securities	$ 3,189	$ —	$ —	$ 3,189
Debt securities issued by U.S. federal agencies	—	11,167	—	11,167
Corporate debt securities	—	27,041	—	27,041
Asset-backed securities	—	4,897	—	4,897
Collateralized mortgage obligations	—	2,237	—	2,237
Total available for sale debt securities	3,189	45,342	—	48,531
Equity securities	210,160	—	—	210,160
Warehouse receivables	—	1,548,249	—	1,548,249
Total assets at fair value	$ 213,349	$ 1,593,591	$ —	$ 1,806,940
Liabilities				
Interest rate swaps	$ —	$ 736	$ —	$ 736
Securities sold, not yet purchased	4,189	—	—	4,189
Total liabilities at fair value	$ 4,189	$ 736	$ —	$ 4,925

	As of December 31, 2018			
	Fair Value Measured and Recorded Using			
	Level 1	Level 2	Level 3	Total
Assets				
Available for sale securities:				
Debt securities:				
U.S. treasury securities	$ 3,138	$ —	$ —	$ 3,138
Debt securities issued by U.S. federal agencies	—	11,196	—	11,196
Corporate debt securities	—	27,201	—	27,201
Asset-backed securities	—	5,017	—	5,017
Collateralized mortgage obligations	—	2,224	—	2,224
Total available for sale debt securities	3,138	45,638	—	48,776
Equity securities	153,762	—	—	153,762
Warehouse receivables	—	1,342,468	—	1,342,468
Total assets at fair value	$ 156,900	$ 1,388,106	$ —	$ 1,545,006
Liabilities				
Interest rate swaps	$ —	$ 1,070	$ —	$ 1,070
Securities sold, not yet purchased	3,133	—	—	3,133
Total liabilities at fair value	$ 3,133	$ 1,070	$ —	$ 4,203

The following non-recurring fair value measurement was recorded for the three months ended March 31, 2019 (dollars in thousands):

	Net Carrying Value as of March 31, 2019	Fair Value Measured and Recorded Using			Total Impairment Charges for the Three Months Ended March 31, 2019
		Level 1	Level 2	Level 3	
Other intangible assets	$ 16,000	$ —	$ —	$ 16,000	$ 89,037

During the three months ended March 31, 2019, we recorded an intangible asset impairment of $89.0 million in our Real Estate Investments segment. Such impairment charge was included as a separate line item in the accompanying consolidated statements of operations.

This non-cash write-off resulted from a review of the anticipated cash flows and the decrease in assets under management in our public securities business driven in part by continued industry-wide shift in investor preference for passive investment programs. The fair value measurements employed for our impairment evaluation was generally based upon a discounted cash flow approach. Inputs used in such evaluation included risk-free rates of return, estimated risk premiums as well as other economic variables.

There were no significant non-recurring fair value measurements recorded during the three months ended March 31, 2018.

FASB ASC Topic 825, *"Financial Instruments"* requires disclosure of fair value information about financial instruments, whether or not recognized in the accompanying consolidated balance sheets. Our financial instruments are as follows:

- *Cash and Cash Equivalents and Restricted Cash* – These balances include cash and cash equivalents as well as restricted cash with maturities of less than three months. The carrying amount approximates fair value due to the short-term maturities of these instruments.
- *Receivables, less Allowance for Doubtful Accounts* – Due to their short-term nature, fair value approximates carrying value.
- *Warehouse Receivables* – These balances are carried at fair value. The primary source of value is either a contractual purchase commitment from Freddie Mac or a confirmed forward trade commitment for the issuance and purchase of a Fannie Mae or Ginnie Mae MBS (see Note 4).
- *Available For Sale Debt Securities* – These investments are carried at their fair value.
- *Equity Securities* – These investments are carried at their fair value.
- *Securities Sold, not yet Purchased* – These liabilities are carried at their fair value.
- *Short-Term Borrowings* – The majority of this balance represents outstanding amounts under our warehouse lines of credit of our wholly-owned subsidiary, CBRE Capital Markets, and our revolving credit facility. Due to the short-term nature and variable interest rates of these instruments, fair value approximates carrying value (see Notes 4 and 9).
- *Senior Term Loans* – Based upon information from third-party banks (which falls within Level 2 of the fair value hierarchy), the estimated fair value of our senior term loans was approximately $725.0 million at March 31, 2019 and $757.0 million at December 31, 2018. Their actual carrying value, net of unamortized debt issuance costs, totaled $744.0 million and $751.3 million at March 31, 2019 and December 31, 2018, respectively (see Note 9).
- *Interest Rate Swaps* – These liabilities are carried at their fair value as calculated by using widely-accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative.
- *Senior Notes* – Based on dealers' quotes (which falls within Level 2 of the fair value hierarchy), the estimated fair values of our 4.875% senior notes and 5.25% senior notes were $634.8 million and $455.7 million, respectively, at March 31, 2019 and $616.4 million and $443.7 million, respectively, at December 31, 2018. The actual carrying value of our 4.875% senior notes and 5.25% senior notes, net of unamortized debt issuance costs as well as unamortized discount or premium, if applicable, totaled $593.0 million and $422.8 million, respectively, at March 31, 2019 and $592.8 million and $422.7 million, respectively, at December 31, 2018.

7. Goodwill

On August 17, 2018, we announced a new organizational structure that became effective on January 1, 2019. Under the new structure, we organize our operations around, and publicly report our financial results on, three global business segments: (1) Advisory Services; (2) Global Workplace Solutions and (3) Real Estate Investments (see Note 14). In connection with this change, we reassessed our reporting units as of January 1, 2019. As a result,

we have reassigned the goodwill balance to reflect our new segment structure using a relative fair value allocation approach. Under this approach, the fair value of each impacted reporting unit was determined using a combination of the income approach and the market approach and was compared to the goodwill of the impacted regional segments immediately prior to the reorganization to arrive at the reassigned goodwill balance.

We are required to test goodwill for impairment at least annually, or more often if circumstances or events indicate there may be a change in the impairment status, in accordance with ASC Topic 350, "*Intangibles – Goodwill and Other.*" We considered the change to our reportable segments and the resulting change in our identified reporting units to be a triggering event that required testing of our goodwill for impairment as of January 1, 2019. We elected to perform a quantitative test using a discounted cash flow approach to estimate the fair value of our reporting units. Management's judgment is required in developing the assumptions for the discounted cash flow model. These assumptions include revenue growth rates, profit margin percentages, discount rates, etc. When we performed our goodwill impairment review as of January 1, 2019, we determined that no impairment existed as the estimated fair value of each of our reporting units was in excess of their carrying value.

The following tables summarizes our change in carrying amount of goodwill for the three months ended March 31, 2019 (dollars in thousands):

	Advisory Services	Global Workplace Solutions	Real Estate Investments	Consolidated
Balance, January 1, 2019:				
Goodwill	$ 3,269,954	$ 875,570	$ 575,291	$ 4,720,815
Accumulated impairment losses	(761,448)	(175,473)	(131,585)	(1,068,506)
	2,508,506	700,097	443,706	3,652,309
Purchase accounting entries	7,518	(292)	—	7,226
Foreign exchange movement	(1,608)	7,289	(1,334)	4,347
Balance, March 31, 2019:				
Goodwill	3,275,864	882,567	573,957	4,732,388
Accumulated impairment losses	(761,448)	(175,473)	(131,585)	(1,068,506)
	$ 2,514,416	$ 707,094	$ 442,372	$ 3,663,882

8. Investments in Unconsolidated Subsidiaries

Investments in unconsolidated subsidiaries are accounted for under the equity method of accounting. Our investment ownership percentages in equity method investments vary, generally ranging up to 50.0%.

Combined condensed financial information for the entities accounted for using the equity method is as follows (dollars in thousands):

	Three Months Ended March 31,	
	2019	2018
Revenue	$ 365,125	$ 343,199
Operating income	94,621	136,208
Net income	48,928	93,996

9. Long-Term Debt and Short-Term Borrowings

Long-Term Debt

Long-term debt consists of the following (dollars in thousands):

	March 31, 2019	December 31, 2018
Senior term loans, with interest ranging from 0.75% to 3.49%, due quarterly through 2024	$ 748,632	$ 758,452
4.875% senior notes due in 2026, net of unamortized discount	596,750	596,653
5.25% senior notes due in 2025, net of unamortized premium	426,089	426,134
Other	2,998	3,682
Total long-term debt	1,774,469	1,784,921
Less: current maturities of long-term debt	(2,573)	(3,146)
Less: unamortized debt issuance costs	(11,715)	(14,515)
Total long-term debt, net of current maturities	$ 1,760,181	$ 1,767,260

We maintain credit facilities with third-party lenders, which we use for a variety of purposes. On October 31, 2017, CBRE Services, Inc. (CBRE Services), our wholly-owned subsidiary, entered into a Credit Agreement (the 2017 Credit Agreement), which refinanced and replaced our prior credit agreement (the 2015 Credit Agreement). On December 20, 2018, CBRE Global Acquisition Company, a wholly-owned subsidiary of CBRE Services, entered into an incremental term loan assumption agreement with a syndicate of banks jointly led by Wells Fargo Bank and National Westminster Bank plc to establish a new euro term loan facility under the 2017 Credit Agreement in an aggregate principal amount of €400.0 million. The proceeds of the new euro term loan facility were used to repay a portion of the U.S. dollar denominated term loans outstanding under the 2017 Credit Agreement. On March 4, 2019, CBRE Services entered into an additional incremental assumption agreement with respect to the 2017 Credit Agreement (the 2017 Agreement as amended by such incremental assumption agreement, the 2019 Credit Agreement), which (i) extended the maturity of the U.S. dollar tranche A term loans under the 2017 Credit Agreement, (ii) extended the termination date of the revolving credit commitments available under the 2017 Credit Agreement and (iii) made certain changes to the interest rates and fees applicable to such tranche A term loans and revolving credit commitments. The proceeds from the new tranche A term loan facility under the 2019 Credit Agreement were used to repay the $300.0 million of tranche A term loans outstanding under the 2017 Credit Agreement.

The 2019 Credit Agreement is a senior unsecured credit facility that is jointly and severally guaranteed by us and certain of our subsidiaries. As of March 31, 2019, the 2019 Credit Agreement provided for the following: (1) a $2.8 billion incremental revolving credit facility, which includes the capacity to obtain letters of credit and swingline loans and terminates on March 4, 2024; (2) a $300.0 million incremental tranche A term loan facility maturing on March 4, 2024, requiring quarterly principal payments unless our leverage ratio (as defined in the 2019 Credit Agreement) is less than or equal to 2.50 to 1.00 on the last day of the fiscal quarter immediately preceding any such payment date and (3) a €400.0 million term loan facility due and payable in full at maturity on December 20, 2023.

The 2017 Credit Agreement was a senior unsecured credit facility that was jointly and severally guaranteed by us and certain of our subsidiaries. Our 2017 Credit Agreement provided for the following: (1) a $2.8 billion revolving credit facility, which included the capacity to obtain letters of credit and swingline loans and had a termination date of October 31, 2022; (2) a $750.0 million delayed draw tranche A term loan facility which would have matured on October 31, 2022 and which required quarterly principal payments unless our leverage ratio (as defined in the 2017 Credit Agreement) was less than or equal to 2.50 to 1.00 on the last day of the fiscal quarter immediately preceding any such payment date and (3) a €400.0 million term loan facility which would have been due and payable in full at maturity on December 20, 2023.

The indentures governing our 4.875% senior notes and 5.25% senior notes contain restrictive covenants that, among other things, limit our ability to create or permit liens on assets securing indebtedness, enter into sale/leaseback transactions and enter into consolidations or mergers. In addition, our 2019 Credit Agreement also requires us to maintain a minimum coverage ratio of consolidated EBITDA (as defined in the 2019 Credit Agreement) to consolidated interest expense of 2.00x and a maximum leverage ratio of total debt less available cash to consolidated EBITDA (as defined in the 2019 Credit Agreement) of 4.25x (and in the case of the first four full fiscal quarters following consummation of a qualified acquisition (as defined in the 2019 Credit Agreement), 4.75x) as of the end of each fiscal quarter. On this basis, our coverage ratio of consolidated EBITDA to consolidated interest expense was 22.74x for the trailing twelve months ended March 31, 2019, and our leverage ratio of total debt less available cash to consolidated EBITDA was 0.80x as of March 31, 2019.

Short-Term Borrowings

Revolving Credit Facility

The revolving credit facility under the 2019 Credit Agreement allows for borrowings outside of the U.S., with a $200.0 million sub-facility available to CBRE Services, one of our Canadian subsidiaries, one of our Australian subsidiaries and one of our New Zealand subsidiaries and a $300.0 million sub-facility available to CBRE Services and one of our U.K. subsidiaries. Borrowings under the revolving credit facility bear interest at varying rates, based at our option, on either (1) the applicable fixed rate plus 0.680% to 1.075% or (2) the daily rate plus 0.0% to 0.075%, in each case as determined by reference to our Credit Rating (as defined in the 2019 Credit Agreement). The 2019 Credit Agreement requires us to pay a fee based on the total amount of the revolving credit facility commitment (whether used or unused). As of March 31, 2019, $336.0 million was outstanding under the revolving credit facility. In addition, as of March 31, 2019, letters of credit totaling $2.0 million were outstanding under our revolving credit facility. These letters of credit, which reduce the amount we may borrow under the revolving credit facility, were primarily issued in the ordinary course of business.

The revolving credit facility under the 2017 Credit Agreement allowed for borrowings outside of the U.S., with a $200.0 million sub-facility available to CBRE Services, one of our Canadian subsidiaries, one of our Australian subsidiaries and one of our New Zealand subsidiaries and a $300.0 million sub-facility available to CBRE Services and one of our U.K. subsidiaries. Borrowings under the revolving credit facility bore interest at varying rates, based at our option, on either (1) the applicable fixed rate plus 0.775% to 1.075% or (2) the daily rate plus 0.0% to 0.075%, in each case as determined by reference to our Credit Rating (as defined in the 2017 Credit Agreement). The 2017 Credit Agreement required us to pay a fee based on the total amount of the revolving credit facility commitment (whether used or unused). As of December 31, 2018, no amounts were outstanding under our revolving credit facility other than letters of credit totaling $2.0 million. These letters of credit, which reduced the amount we could have borrowed under the revolving credit facility, were primarily issued in the ordinary course of business.

Warehouse Lines of Credit

CBRE Capital Markets has warehouse lines of credit with third-party lenders for the purpose of funding mortgage loans that will be resold, and a funding arrangement with Fannie Mae for the purpose of selling a percentage of certain closed multifamily loans to Fannie Mae. These warehouse lines are recourse only to CBRE Capital Markets and are secured by our related warehouse receivables. See Note 4 for additional information.

10. Leases

We are the lessee in contracts for our office space tenancies and leased vehicles. These arrangements account for the significant portion of our lease liabilities and right-of-use assets. We continually monitor our service arrangements to evaluate whether they meet the definition of a lease.

The base terms for our lease arrangements typically do not extend beyond 10 years. We commonly have renewal options in our leases, but most of these options do not create a significant economic incentive for us to extend the lease term. Therefore, payments during periods covered by these renewal options are typically not

included in our lease liabilities and right-of-use assets. Specific to our vehicle leases, early termination options are common and economic penalties associated with early termination of these contracts are typically significant enough to make it reasonably certain that we will not exercise such options. Therefore, payments during periods covered by these early termination options in vehicle leases are typically included in our lease liabilities and right-of-use assets. As an accounting policy election, our short-term leases with an initial term of 12 months or less are not recognized as lease liabilities and right-of-use assets in the consolidated balance sheets. The rent expense associated with short term leases is recognized on a straight-line basis over the lease term.

Most of our office space leases include variable payments based on our share of actual common area maintenance and operating costs of the leased property. Many of our vehicle leases include variable payments based on actual service and fuel costs. For both office space and vehicle leases, we have elected the practical expedient to not separate lease components from non-lease components. Therefore, these costs are classified as variable lease payments.

Lease payments are typically discounted at our incremental borrowing rate because the interest rate implicit in the lease cannot be readily determined in the absence of key inputs which are typically not reported by our lessors. Because we do not generally borrow on a collateralized basis, judgement was used to estimate the secured borrowing rate associated with our leases based on relevant market data and our inputs applied to accepted valuation methodologies. The incremental borrowing rate calculated for each lease also reflects the lease term, currency, and geography specific to each lease.

Supplemental balance sheet information related to our leases is as follows (dollars in thousands):

Category	Classification	March 31, 2019
Assets		
Operating lease assets	Operating lease assets	$ 938,681
Financing lease assets	Other assets, net	59,638
Total leased assets		$ 998,319
Liabilities		
Current:		
Operating	Operating lease liabilities	$ 185,457
Financing	Other current liabilities	25,007
Non-current:		
Operating	Non-current operating lease liabilities	969,216
Financing	Other liabilities	34,348
Total lease liabilities		$ 1,214,028

Components of lease cost are as follows (dollars in thousands):

Component	Classification	Three Months Ended March 31, 2019
Operating lease cost	Operating, administrative and other	$ 46,728
Finance lease cost:		
Amortization of right-to-use assets	(1)	7,169
Interest on lease liabilities	Interest expense	204
Variable lease cost	(2)	16,947
Sublease income	Revenue	(240)
Total lease cost		$ 70,808

(1) Amortization costs of $5.9 million from vehicle finance leases utilized in client outsourcing arrangements are included in cost of services. Amortization costs of $1.3 million from all other finance leases are included in depreciation and amortization.

(2) Variable lease costs of $3.1 million from leases in client outsourcing arrangements are included in cost of services. Variable lease costs of $13.8 million from all other leases are included in operating, administrative and other.

Weighted average remaining lease term and discount rate for our operating leases are as follows:

	March 31, 2019
Weighted-average remaining lease term:	
Operating leases	9 years
Finance leases	3 years
Weighted-average discount rate:	
Operating leases	3.4%
Finance leases	2.0%

Maturities of lease liabilities by fiscal year as of March 31, 2019 are as follows (dollars in thousands):

	Operating Leases	Financing Leases
2019	$ 140,874	$ 19,571
2020	183,229	20,948
2021	177,613	13,342
2022	152,999	6,134
2023	133,500	1,286
Thereafter	550,913	25
Total remaining lease payments at March 31, 2019	$ 1,339,128	$ 61,306
Less: Interest	184,455	1,951
Present value of lease liabilities at March 31, 2019	$ 1,154,673	$ 59,355

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018 and under the previous lease accounting standard, the following is a schedule by year of future minimum lease payments for noncancelable operating leases as of December 31, 2018 (dollars in thousands):

2019	$ 238,954
2020	219,351
2021	202,205
2022	172,267
2023	145,705
Thereafter	510,741
Total minimum payment required	$ 1,489,223

Supplemental cash flow information and non-cash activity related to our operating leases are as follows (dollars in thousands):

	Three Months Ended March 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 35,573
Operating cash flows from financing leases	279
Financing cash flows from financing leases	7,414
Right-of-use assets obtained in exchange for new operating lease liabilities	47,467
Right-of-use assets obtained in exchange for new financing lease liabilities	2,668
Other non-cash increases in right-of-use assets (1)	1,372

(1) These noncash increases in right-of-use assets resulted from lease modifications and remeasurements.

11. Commitments and Contingencies

We are a party to a number of pending or threatened lawsuits arising out of, or incident to, our ordinary course of business. We believe that any losses in excess of the amounts accrued therefore as liabilities on our financial statements are unlikely to be significant, but litigation is inherently uncertain and there is the potential for a material adverse effect on our financial statements if one or more matters are resolved in a particular period in an amount materially in excess of what we anticipated.

In January 2008, CBRE MCI, a wholly-owned subsidiary of CBRE Capital Markets, entered into an agreement with Fannie Mae under Fannie Mae's Delegated Underwriting and Servicing Lender Program (DUS Program), to provide financing for multifamily housing with five or more units. Under the DUS Program, CBRE MCI originates, underwrites, closes and services loans without prior approval by Fannie Mae, and typically, is subject to sharing up to one-third of any losses on loans originated under the DUS Program. CBRE MCI has funded loans subject to such loss sharing arrangements with unpaid principal balances of $24.7 billion at March 31, 2019. CBRE MCI, under its agreement with Fannie Mae, must post cash reserves or other acceptable collateral under formulas established by Fannie Mae to provide for sufficient capital in the event losses occur. As of both March 31, 2019 and December 31, 2018, CBRE MCI had a $64.0 million letter of credit under this reserve arrangement, and had recorded a liability of approximately $40.3 million and $37.9 million, respectively, for its loan loss guarantee obligation under such arrangement. Fannie Mae's recourse under the DUS Program is limited to the assets of CBRE MCI, which assets totaled approximately $618.2 million (including $331.4 million of warehouse receivables, a substantial majority of which are pledged against warehouse lines of credit and are therefore not available to Fannie Mae) at March 31, 2019.

CBRE Capital Markets participates in Freddie Mac's Multifamily Small Balance Loan (SBL) Program. Under the SBL program, CBRE Capital Markets has certain repurchase and loss reimbursement obligations. These obligations are for the period from origination of the loan to the securitization date. CBRE Capital Markets must post a cash reserve or other acceptable collateral to provide for sufficient capital in the event the obligations are triggered. As of both March 31, 2019 and December 31, 2018, CBRE Capital Markets had posted a $5.0 million letter of credit under this reserve arrangement.

We had outstanding letters of credit totaling $74.9 million as of March 31, 2019, excluding letters of credit for which we have outstanding liabilities already accrued on our consolidated balance sheet related to our subsidiaries' outstanding reserves for claims under certain insurance programs as well as letters of credit related to operating leases. The CBRE Capital Markets letters of credit totaling $69.0 million as of March 31, 2019 referred to in the preceding paragraphs represented the majority of the $74.9 million outstanding letters of credit as of such date. The remaining letters of credit are primarily executed by us in the ordinary course of business and expire at varying dates through February 2020.

We had guarantees totaling $62.3 million as of March 31, 2019, excluding guarantees related to pension liabilities, consolidated indebtedness and other obligations for which we have outstanding liabilities already accrued on our consolidated balance sheet, and excluding guarantees related to operating leases. The $62.3 million primarily represents guarantees executed by us in the ordinary course of business, including various guarantees of management and vendor contracts in our operations overseas, which expire at the end of each of the respective agreements.

In addition, as of March 31, 2019, we had issued numerous non-recourse carveout, completion and budget guarantees relating to development projects for the benefit of third parties. These guarantees are commonplace in our industry and are made by us in the ordinary course of our Real Estate Investments business. Non-recourse carveout guarantees generally require that our project-entity borrower not commit specified improper acts, with us potentially liable for all or a portion of such entity's indebtedness or other damages suffered by the lender if those acts occur. Completion and budget guarantees generally require us to complete construction of the relevant project within a specified timeframe and/or within a specified budget, with us potentially being liable for costs to complete in excess of such timeframe or budget. However, we generally use "guaranteed maximum price" contracts with reputable, bondable general contractors with respect to projects for which we provide these guarantees. These contracts are intended to pass the risk to such contractors. While there can be no assurance, we do not expect to incur any material losses under these guarantees.

An important part of the strategy for our Real Estate Investments business involves investing our capital in certain real estate investments with our clients. These co-investments generally total up to 2.0% of the equity in a particular fund. As of March 31, 2019, we had aggregate commitments of $49.1 million to fund these future co-investments. Additionally, an important part of our Real Estate Investments business strategy is to invest in unconsolidated real estate subsidiaries as a principal (in most cases co-investing with our clients). As of March 31, 2019, we had committed to fund $50.3 million of additional capital to these unconsolidated subsidiaries.

12. Income Per Share and Stockholders' Equity

The calculations of basic and diluted income per share attributable to CBRE Group, Inc. shareholders are as follows (dollars in thousands, except share data):

	Three Months Ended March 31,	
	2019	2018
Basic Income Per Share		
Net income attributable to CBRE Group, Inc. shareholders	$ 164,409	$ 150,288
Weighted average shares outstanding for basic income per share	336,020,431	338,890,098
Basic income per share attributable to CBRE Group, Inc. shareholders	$ 0.49	$ 0.44
Diluted Income Per Share		
Net income attributable to CBRE Group, Inc. shareholders	$ 164,409	$ 150,288
Weighted average shares outstanding for basic income per share:	336,020,431	338,890,098
Dilutive effect of contingently issuable shares	4,137,968	3,698,143
Dilutive effect of stock options	—	1,569
Weighted average shares outstanding for diluted income per share	340,158,399	342,589,810
Diluted income per share attributable to CBRE Group, Inc. shareholders	$ 0.48	$ 0.44

For the three months ended March 31, 2019 and 2018, 547,676 and 69,346, respectively, of contingently issuable shares were excluded from the computation of diluted income per share because their inclusion would have had an anti-dilutive effect.

On October 27, 2016, our board of directors authorized the company to repurchase up to an aggregate of $250.0 million of our Class A common stock over three years. Through December 31, 2018, we had spent $161.0 million to repurchase 3,980,656 shares of our Class A common stock with an average price paid per share of $40.43. During the month of January 2019, we spent $45.1 million to repurchase an additional 1,144,449 shares of our Class A common stock with an average price paid per share of $39.38. Additionally, on February 28, 2019, our board of directors authorized a new program for the company to repurchase up to $300.0 million of our Class A common stock over three years, effective March 11, 2019. The previous program terminated upon the effectiveness of the new program.

13. Revenue from Contracts with Customers

Disaggregated Revenue

The following tables represent a disaggregation of revenue from contracts with customers for the three months ended March 31, 2019 and 2018 by type of service and/or segment (dollars in thousands):

	Three Months Ended March 31, 2019			
	Advisory Services	Global Workplace Solutions	Real Estate Investments	Consolidated
Topic 606 Revenue:				
Global workplace solutions	$ —	$ 3,165,915	$ —	$ 3,165,915
Advisory leasing	622,640	—	—	622,640
Advisory sales	385,655	—	—	385,655
Property and advisory project management	520,884	—	—	520,884
Valuation	138,326	—	—	138,326
Commercial mortgage origination (1)	23,573	—	—	23,573
Loan servicing (2)	6,986	—	—	6,986
Investment management	—	—	106,308	106,308
Development services	—	—	28,885	28,885
Topic 606 Revenue	1,698,064	3,165,915	135,193	4,999,172
Out of Scope of Topic 606 Revenue:				
Commercial mortgage origination	97,306	—	—	97,306
Loan servicing (2)	39,032	—	—	39,032
Total Out of Scope of Topic 606 Revenue	136,338	—	—	136,338
Total revenue	$ 1,834,402	$ 3,165,915	$ 135,193	$ 5,135,510

	Three Months Ended March 31, 2018 (3)			
	Advisory Services	Global Workplace Solutions	Real Estate Investments	Consolidated
Topic 606 Revenue:				
Global workplace solutions	$ —	$ 2,827,503	$ —	$ 2,827,503
Advisory leasing	517,509	—	—	517,509
Advisory sales	413,732	—	—	413,732
Property and advisory project management	484,782	—	—	484,782
Valuation	134,163	—	—	134,163
Commercial mortgage origination (1)	24,282	—	—	24,282
Loan servicing (2)	5,417	—	—	5,417
Investment management	—	—	123,690	123,690
Development services	—	—	23,325	23,325
Topic 606 Revenue	1,579,885	2,827,503	147,015	4,554,403
Out of Scope of Topic 606 Revenue:				
Commercial mortgage origination	83,152	—	—	83,152
Loan servicing (2)	36,397	—	—	36,397
Total Out of Scope of Topic 606 Revenue	119,549	—	—	119,549
Total revenue	$ 1,699,434	$ 2,827,503	$ 147,015	$ 4,673,952

(1) We earn fees for arranging financing for borrowers with third-party lender contacts. Such fees are in scope of Topic 606.

(2) Loan servicing fees earned from servicing contracts for which we do not hold mortgage servicing rights are in scope of Topic 606.

(3) Our new organizational structure became effective on January 1, 2019. See Note 14 for additional information. Revenue classifications for 2018 have been restated to conform to the new structure.

Contract Assets and Liabilities

We had contract assets totaling $412.4 million ($295.4 million of which was current) and $381.8 million ($307.0 million of which was current) as of March 31, 2019 and December 31, 2018, respectively.

We had contract liabilities totaling $126.0 million ($115.1 million of which was current) and $92.5 million ($82.2 million of which was current) as of March 31, 2019 and December 31, 2018, respectively. During the three months ended March 31, 2019, we recognized revenue of $61.8 million that was included in the contract liability balance at December 31, 2018.

14. Segments

On August 17, 2018, we announced a new organizational structure that became effective on January 1, 2019. Under the new structure, we organize our operations around, and publicly report our financial results on, three global business segments: (1) Advisory Services; (2) Global Workplace Solutions and (3) Real Estate Investments.

Advisory Services provides a comprehensive range of services globally, including property leasing, property sales, mortgage services, valuation, property management and project management. Global Workplace Solutions provides a broad suite of integrated, contractually-based services to occupiers of real estate, including facilities management, project management, transaction management and management consulting. Real Estate Investments includes: (i) investment management services provided globally; (ii) development services in the U.S. and (iii) a new service designed to help institutional property owners meet the demand for flexible office space solutions.

Summarized financial information by segment is as follows (dollars in thousands):

	Three Months Ended March 31,	
	2019	2018 (1)
Revenue		
Advisory Services	$ 1,834,402	$ 1,699,434
Global Workplace Solutions	3,165,915	2,827,503
Real Estate Investments	135,193	147,015
Total revenue	$ 5,135,510	$ 4,673,952
Adjusted EBITDA		
Advisory Services	$ 263,850	$ 215,432
Global Workplace Solutions	99,679	82,735
Real Estate Investments	86,503	49,640
Total Adjusted EBITDA	$ 450,032	$ 347,807

(1) Results for 2018 have been presented in conformity with the new structure.

Adjusted EBITDA is the measure reported to the chief operating decision maker (CODM) for purposes of making decisions about allocating resources to each segment and assessing performance of each segment. EBITDA represents earnings before net interest expense, write-off of financing costs on extinguished debt, income taxes, depreciation and amortization and intangible asset impairments. Amounts shown for adjusted EBITDA further remove (from EBITDA) the impact of certain cash and non-cash items related to acquisitions, costs associated with our reorganization, including cost-savings initiatives, certain carried interest incentive compensation reversal to align with the timing of associated revenue and other non-recurring costs.

Adjusted EBITDA is calculated as follows (dollars in thousands):

	Three Months Ended March 31,	
	2019	2018
Net income attributable to CBRE Group, Inc.	$ 164,409	$ 150,288
Add:		
Depreciation and amortization	105,823	108,165
Intangible asset impairment	89,037	—
Interest expense	22,726	28,858
Write-off of financing costs on extinguished debt	2,608	27,982
Provision for income taxes	43,878	46,164
Less:		
Interest income	1,534	3,621
EBITDA	426,947	357,836
Adjustments:		
Costs associated with our reorganization, including cost-savings initiatives (1)	15,749	—
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	7,336	(10,029)
Adjusted EBITDA	$ 450,032	$ 347,807

(1) Primarily represents severance costs related to headcount reductions in connection with our reorganization announced in the third quarter of 2018 that became effective January 1, 2019.

Our CODM is not provided with total asset information by segment and accordingly, does not measure or allocate total assets on a segment basis. As a result, we have not disclosed any asset information by segment.

Geographic Information

Revenue in the table below is allocated based upon the country in which services are performed (dollars in thousands):

	Three Months Ended March 31,	
	2019	2018
Revenue		
United States	$ 3,036,707	$ 2,674,217
United Kingdom	588,581	580,516
All other countries	1,510,222	1,419,219
Total revenue	$ 5,135,510	$ 4,673,952

15. Guarantor and Nonguarantor Financial Statements

The following condensed consolidating financial information includes condensed consolidating balance sheets as of March 31, 2019 and December 31, 2018 and condensed consolidating statements of operations, condensed consolidating statements of comprehensive income and condensed consolidating statements of cash flows for the three months ended March 31, 2019 and 2018 of:

- CBRE Group, Inc., as the parent; CBRE Services, as the subsidiary issuer; the guarantor subsidiaries; the nonguarantor subsidiaries;
- Elimination entries necessary to consolidate CBRE Group, Inc., as the parent, with CBRE Services and its guarantor and nonguarantor subsidiaries; and
- CBRE Group, Inc., on a consolidated basis.

Investments in consolidated subsidiaries are presented using the equity method of accounting. The principal elimination entries eliminate investments in consolidated subsidiaries and intercompany balances and transactions.

Condensed Consolidating Balance Sheets

	As of March 31, 2019					
	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 7	$ 15,190	$ 65,783	$ 523,972	$ —	$ 604,952
Restricted cash	—	—	11,171	71,545	—	82,716
Receivables, net	—	10	1,503,057	2,298,407	—	3,801,474
Warehouse receivables (1)	—	—	1,213,477	334,772	—	1,548,249
Contract assets	—	—	281,050	14,353	—	295,403
Prepaid expenses	—	—	96,466	151,893	—	248,359
Income taxes receivable	66	—	10,963	47,374	(66)	58,337
Other current assets	—	—	84,803	272,567	—	357,370
Total Current Assets	73	15,200	3,266,770	3,714,883	(66)	6,996,860
Property and equipment, net	—	—	505,238	225,212	—	730,450
Goodwill	—	—	2,230,867	1,433,015	—	3,663,882
Other intangible assets, net	—	—	731,373	607,273	—	1,338,646
Operating lease assets	—	—	417,139	521,542	—	938,681
Investments in unconsolidated subsidiaries	—	—	178,665	49,741	—	228,406
Investments in consolidated subsidiaries	6,968,219	6,051,334	3,356,528	—	(16,376,081)	—
Intercompany loan receivable	—	2,538,410	700,000	652,354	(3,890,764)	—
Deferred tax assets, net	—	—	2,666	80,537	(2,666)	80,537
Other assets, net	—	19,941	546,378	149,227	—	715,546
Total Assets	$ 6,968,292	$ 8,624,885	$ 11,935,624	$ 7,433,784	$ (20,269,577)	$ 14,693,008
LIABILITIES AND EQUITY						
Current Liabilities:						
Accounts payable and accrued expenses	$ —	$ 5,488	$ 640,173	$ 1,188,180	$ —	$ 1,833,841
Compensation and employee benefits payable	—	—	644,534	507,501	—	1,152,035
Accrued bonus and profit sharing	—	—	293,151	362,972	—	656,123
Operating lease liabilities	—	—	92,045	93,412	—	185,457
Contract liabilities	—	—	72,660	42,477	—	115,137
Income taxes payable	—	1,836	551	51,474	(66)	53,795
Short-term borrowings:						
Warehouse lines of credit (which fund loans that U.S. Government Sponsored Enterprises have committed to purchase) (1)	—	—	1,201,563	359,644	—	1,561,207
Revolving credit facility	—	336,000	—	—	—	336,000
Total short-term borrowings	—	336,000	1,201,563	359,644	—	1,897,207
Current maturities of long-term debt	—	—	29	2,544	—	2,573
Other current liabilities	—	736	77,336	35,842	—	113,914
Total Current Liabilities	—	344,060	3,022,042	2,644,046	(66)	6,010,082
Long-Term Debt, net:						
Long-term debt, net	—	1,312,606	12	447,563	—	1,760,181
Intercompany loan payable	1,878,913	—	2,011,851	—	(3,890,764)	—
Total Long-Term Debt, net	1,878,913	1,312,606	2,011,863	447,563	(3,890,764)	1,760,181
Non-current operating lease liabilities	—	—	463,787	505,429	—	969,216
Non-current tax liabilities	—	—	142,712	32,427	—	175,139
Deferred tax liabilities, net	—	—	11,905	117,145	(2,666)	126,384
Other liabilities	—	—	231,981	215,809	—	447,790
Total Liabilities	1,878,913	1,656,666	5,884,290	3,962,419	(3,893,496)	9,488,792
Commitments and contingencies	—	—	—	—	—	—
Equity:						
CBRE Group, Inc. Stockholders' Equity	5,089,379	6,968,219	6,051,334	3,356,528	(16,376,081)	5,089,379
Non-controlling interests	—	—	—	114,837	—	114,837
Total Equity	5,089,379	6,968,219	6,051,334	3,471,365	(16,376,081)	5,204,216
Total Liabilities and Equity	$ 6,968,292	$ 8,624,885	$ 11,935,624	$ 7,433,784	$ (20,269,577)	$ 14,693,008

(1) Although CBRE Capital Markets is included among our domestic subsidiaries that jointly and severally guarantee our 4.875% senior notes, 5.25% senior notes and our 2019 Credit Agreement, a substantial majority of warehouse receivables funded under JP Morgan, TD Bank, BofA, Fannie Mae ASAP and Capital One lines of credit are pledged to JP Morgan, TD Bank, BofA, Fannie Mae and Capital One, and accordingly, are not included as collateral for these notes or our other outstanding debt.

Condensed Consolidating Balance Sheets

	As of December 31, 2018					
	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 7	$ 34,063	$ 261,181	$ 481,968	$ —	$ 777,219
Restricted cash	—	—	13,767	72,958	—	86,725
Receivables, net	—	5	1,340,120	2,328,466	—	3,668,591
Warehouse receivables (1)	—	—	664,095	678,373	—	1,342,468
Contract assets	—	—	289,214	17,806	—	307,020
Prepaid expenses	—	—	122,305	132,587	—	254,892
Income taxes receivable	6,099	—	18,992	52,692	(6,099)	71,684
Other current assets	—	—	56,853	188,758	—	245,611
Total Current Assets	6,106	34,068	2,766,527	3,953,608	(6,099)	6,754,210
Property and equipment, net	—	—	512,110	209,582	—	721,692
Goodwill	—	—	2,224,909	1,427,400	—	3,652,309
Other intangible assets, net	—	—	835,270	606,038	—	1,441,308
Investments in unconsolidated subsidiaries	—	—	170,698	45,476	—	216,174
Investments in consolidated subsidiaries	6,759,815	5,595,831	3,228,512	—	(15,584,158)	—
Intercompany loan receivable	—	2,440,775	700,000	711,244	(3,852,019)	—
Deferred tax assets, net	—	—	2,666	51,755	(2,718)	51,703
Other assets, net	—	18,257	483,790	117,350	—	619,397
Total Assets	$ 6,765,921	$ 8,088,931	$ 10,924,482	$ 7,122,453	$ (19,444,994)	$ 13,456,793
LIABILITIES AND EQUITY						
Current Liabilities:						
Accounts payable and accrued expenses	$ 40	$ 17,450	$ 655,582	$ 1,246,755	$ —	$ 1,919,827
Accrued bonus and profit sharing	—	—	685,521	503,874	—	1,189,395
Compensation and employee benefits payable	—	—	662,196	458,983	—	1,121,179
Contract liabilities	—	—	41,045	41,182	—	82,227
Income taxes payable	—	720	6,417	67,062	(6,099)	68,100
Short-term borrowings:						
Warehouse lines of credit (which fund loans that U.S. Government Sponsored Enterprises have committed to purchase) (1)	—	—	657,731	671,030	—	1,328,761
Total short-term borrowings	—	—	657,731	671,030	—	1,328,761
Current maturities of long-term debt	—	—	39	3,107	—	3,146
Other current liabilities	—	1,070	70,202	19,473	—	90,745
Total Current Liabilities	40	19,240	2,778,733	3,011,466	(6,099)	5,803,380
Long-Term Debt, net:						
Long-term debt, net	—	1,309,876	18	457,366	—	1,767,260
Intercompany loan payable	1,827,084	—	2,024,935	—	(3,852,019)	—
Total Long-Term Debt, net	1,827,084	1,309,876	2,024,953	457,366	(3,852,019)	1,767,260
Non-current tax liabilities	—	—	164,857	7,769	—	172,626
Deferred tax liabilities, net	—	—	—	110,143	(2,718)	107,425
Other liabilities	—	—	360,108	236,092	—	596,200
Total Liabilities	1,827,124	1,329,116	5,328,651	3,822,836	(3,860,836)	8,446,891
Commitments and contingencies	—	—	—	—	—	—
Equity:						
CBRE Group, Inc. Stockholders' Equity	4,938,797	6,759,815	5,595,831	3,228,512	(15,584,158)	4,938,797
Non-controlling interests	—	—	—	71,105	—	71,105
Total Equity	4,938,797	6,759,815	5,595,831	3,299,617	(15,584,158)	5,009,902
Total Liabilities and Equity	$ 6,765,921	$ 8,088,931	$ 10,924,482	$ 7,122,453	$ (19,444,994)	$ 13,456,793

(1) Although CBRE Capital Markets is included among our domestic subsidiaries that jointly and severally guarantee our 4.875% senior notes, 5.25% senior notes and our 2017 Credit Agreement, a substantial majority of warehouse receivables funded under JP Morgan, TD Bank, Fannie Mae ASAP, Capital One and BofA lines of credit are pledged to JP Morgan, TD Bank, Fannie Mae, Capital One and BofA, and accordingly, are not included as collateral for these notes or our other outstanding debt.

Condensed Consolidating Statements of Operations

	Three Months Ended March 31, 2019					
	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Revenue	$ —	$ —	$ 2,966,117	$ 2,169,393	$ —	$ 5,135,510
Costs and expenses:						
Cost of services			2,343,867	1,678,167	—	4,022,034
Operating, administrative and other	250	304	415,731	376,591	—	792,876
Depreciation and amortization	—	—	65,599	40,224	—	105,823
Intangible asset impairment	—	—	89,037	—	—	89,037
Total costs and expenses	250	304	2,914,234	2,094,982	—	5,009,770
Gain on disposition of real estate	—	—	19,231	16	—	19,247
Operating (loss) income	(250)	(304)	71,114	74,427	—	144,987
Equity income from unconsolidated subsidiaries	—	—	71,786	878	—	72,664
Other income	—	—	1,680	19,173	—	20,853
Interest income	—	29,259	154	1,380	(29,259)	1,534
Interest expense	—	19,393	17,626	14,966	(29,259)	22,726
Write-off of financing costs on extinguished debt	—	2,608	—	—	—	2,608
Royalty and management service expense (income)	—	—	6,740	(6,740)	—	—
Income from consolidated subsidiaries	164,593	159,475	40,694	—	(364,762)	—
Income before (benefit of) provision for income taxes	164,343	166,429	161,062	87,632	(364,762)	214,704
(Benefit of) provision for income taxes	(66)	1,836	1,587	40,521	—	43,878
Net income	164,409	164,593	159,475	47,111	(364,762)	170,826
Less: Net income attributable to non-controlling interests	—	—	—	6,417	—	6,417
Net income attributable to CBRE Group, Inc.	$ 164,409	$ 164,593	$ 159,475	$ 40,694	$ (364,762)	$ 164,409

	Three Months Ended March 31, 2018					
	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Revenue	$ —	$ —	$ 2,617,694	$ 2,056,258	$ —	$ 4,673,952
Costs and expenses:						
Cost of services	—	—	2,057,613	1,562,348	—	3,619,961
Operating, administrative and other	5,704	485	360,631	365,415	—	732,235
Depreciation and amortization	—	—	64,309	43,856	—	108,165
Total costs and expenses	5,704	485	2,482,553	1,971,619	—	4,460,361
Gain on disposition of real estate	—	—	18	—	—	18
Operating (loss) income	(5,704)	(485)	135,159	84,639	—	213,609
Equity income from unconsolidated subsidiaries	—	—	39,292	887	—	40,179
Other income (loss)	—	—	1,710	(5,990)	—	(4,280)
Interest income	—	32,686	2,452	1,169	(32,686)	3,621
Interest expense	—	27,875	27,031	6,638	(32,686)	28,858
Write-off of financing costs on extinguished debt	—	27,982	—	—	—	27,982
Royalty and management service expense (income)	—	—	13,171	(13,171)	—	—
Income from consolidated subsidiaries	154,573	172,343	61,171	—	(388,087)	—
Income before (benefit of) provision for income taxes	148,869	148,687	199,582	87,238	(388,087)	196,289
(Benefit of) provision for income taxes	(1,419)	(5,886)	27,239	26,230	—	46,164
Net income	150,288	154,573	172,343	61,008	(388,087)	150,125
Less: Net loss attributable to non-controlling interests	—	—	—	(163)	—	(163)
Net income attributable to CBRE Group, Inc.	$ 150,288	$ 154,573	$ 172,343	$ 61,171	$ (388,087)	$ 150,288

Condensed Consolidating Statements of Comprehensive Income

	Three Months Ended March 31, 2019					
	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	$ 164,409	$ 164,593	$ 159,475	$ 47,111	$ (364,762)	$ 170,826
Other comprehensive income:						
Foreign currency translation gain	—	—	—	937	—	937
Amounts reclassified from accumulated other comprehensive loss to interest expense, net	—	410	—	—	—	410
Unrealized losses on interest rate swaps, net	—	(59)	—	—	—	(59)
Unrealized holding gains on available for sale debt securities, net	—	—	755	—	—	755
Other, net	—	—	1	—	—	1
Total other comprehensive income	—	351	756	937	—	2,044
Comprehensive income	164,409	164,944	160,231	48,048	(364,762)	172,870
Less: Comprehensive income attributable to non-controlling interests	—	—	—	6,361	—	6,361
Comprehensive income attributable to CBRE Group, Inc.	$ 164,409	$ 164,944	$ 160,231	$ 41,687	$ (364,762)	$ 166,509

	Three Months Ended March 31, 2018					
	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	$ 150,288	$ 154,573	$ 172,343	$ 61,008	$ (388,087)	$ 150,125
Other comprehensive income (loss):						
Foreign currency translation gain	—	—	—	66,032	—	66,032
Adoption of Accounting Standards Update 2016-01, net	—	—	(3,964)	—	—	(3,964)
Amounts reclassified from accumulated other comprehensive loss to interest expense, net	—	755	—	—	—	755
Unrealized gains on interest rate swaps, net	—	603	—	—	—	603
Unrealized holding losses on available for sale debt securities, net	—	—	(505)	—	—	(505)
Other, net	—	—	20	5,508	—	5,528
Total other comprehensive income (loss)	—	1,358	(4,449)	71,540	—	68,449
Comprehensive income	150,288	155,931	167,894	132,548	(388,087)	218,574
Less: Comprehensive loss attributable to non-controlling interests	—	—	—	(358)	—	(358)
Comprehensive income attributable to CBRE Group, Inc.	$ 150,288	$ 155,931	$ 167,894	$ 132,906	$ (388,087)	$ 218,932

Condensed Consolidating Statements of Cash Flows

	Three Months Ended March 31, 2019				
	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Consolidated Total
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	$ 35,080	$ (1,398)	$ (341,646)	$ (93,925)	$ (401,889)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	—	—	(21,511)	(26,154)	(47,665)
Acquisition of businesses, including net assets acquired, intangibles and goodwill, net of cash acquired	—	—	(1,798)	(344)	(2,142)
Contributions to unconsolidated subsidiaries	—	—	(18,722)	(4,840)	(23,562)
Distributions from unconsolidated subsidiaries	—	—	5,797	177	5,974
Purchase of equity securities	—	—	(2,867)	—	(2,867)
Proceeds from sale of equity securities	—	—	2,798	1,558	4,356
Proceeds from the sale of available for sale debt securities	—	—	603	—	603
Other investing activities, net	—	—	689	(10)	679
Net cash used in investing activities	—	—	(35,011)	(29,613)	(64,624)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from senior term loans	—	300,000	—	—	300,000
Repayment of senior term loans	—	(300,000)	—	—	(300,000)
Proceeds from revolving credit facility	—	507,000	—	—	507,000
Repayment of revolving credit facility	—	(171,000)	—	—	(171,000)
Repurchase of common stock	(45,088)	—	—	—	(45,088)
Acquisition of businesses (cash paid for acquisitions more than three months after purchase date)	—	—	(16,319)	(866)	(17,185)
Units repurchased for payment of taxes on equity awards	(9,186)	—	—	—	(9,186)
Non-controlling interest contributions	—	—	—	40,774	40,774
Non-controlling interest distributions	—	—	—	(1,347)	(1,347)
Payment of financing costs	—	(3,353)	—	(21)	(3,374)
Decrease (increase) in intercompany receivables, net	19,194	(350,122)	194,992	135,936	—
Other financing activities, net	—	—	(10)	(556)	(566)
Net cash (used in) provided by financing activities	(35,080)	(17,475)	178,663	173,920	300,028
Effect of currency exchange rate changes on cash and cash equivalents and restricted cash	—	—	—	(9,791)	(9,791)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	—	(18,873)	(197,994)	40,591	(176,276)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, AT BEGINNING OF PERIOD	7	34,063	274,948	554,926	863,944
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, AT END OF PERIOD	$ 7	$ 15,190	$ 76,954	$ 595,517	$ 687,668
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid during the period for:					
Interest	$ —	$ 28,993	$ —	$ 4,613	$ 33,606
Income taxes, net	$ —	$ —	$ 3,197	$ 51,044	$ 54,241

Condensed Consolidating Statements of Cash Flows

	Three Months Ended March 31, 2018				
	Parent	**CBRE Services**	**Guarantor Subsidiaries**	**Nonguarantor Subsidiaries**	**Consolidated Total**
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	$ 26,028	$ (21,075)	$ (200,152)	$ (54,759)	$ (249,958)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	—	—	(30,870)	(15,854)	(46,724)
Contributions to unconsolidated subsidiaries	—	—	(7,932)	(2,679)	(10,611)
Distributions from unconsolidated subsidiaries	—	—	14,869	347	15,216
Purchase of equity securities	—	—	(10,219)	—	(10,219)
Proceeds from sale of equity securities	—	—	4,367	—	4,367
Purchase of available for sale debt securities	—	—	(12,066)	—	(12,066)
Proceeds from the sale of available for sale debt securities	—	—	2,264	—	2,264
Other investing activities, net	—	—	(6,590)	151	(6,439)
Net cash used in investing activities	—	—	(46,177)	(18,035)	(64,212)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from senior term loans	—	550,000	—	—	550,000
Proceeds from revolving credit facility	—	898,000	—	—	898,000
Repayment of revolving credit facility	—	(435,000)	—	—	(435,000)
Repayment of 5.00% senior notes (including premium)	—	(820,000)	—	—	(820,000)
Acquisition of businesses (cash (paid) received for acquisitions more than three months after purchase date)	—	—	(11,463)	3,414	(8,049)
Units repurchased for payment of taxes on equity awards	(4,550)	—	—	—	(4,550)
Non-controlling interest contributions	—	—	—	1,595	1,595
Non-controlling interest distributions	—	—	—	(1,025)	(1,025)
Payment of financing costs	—	(39)	—	–	(39)
(Increase) decrease in intercompany receivables, net	(21,532)	(179,368)	217,675	(16,775)	—
Other financing activities, net	54	—	—	359	413
Net cash (used in) provided by financing activities	(26,028)	13,593	206,212	(12,432)	181,345
Effect of currency exchange rate changes on cash and cash equivalents and restricted cash	—	—	—	29,819	29,819
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	—	(7,482)	(40,117)	(55,407)	(103,006)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, AT BEGINNING OF PERIOD	7	15,604	114,143	695,065	824,819
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, AT END OF PERIOD	$ 7	$ 8,122	$ 74,026	$ 639,658	$ 721,813
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid during the period for:					
Interest	$ —	$ 48,490	$ —	$ 504	$ 48,994
Income taxes, net	$ —	$ —	$ 118	$ 37,101	$ 37,219

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q (Quarterly Report) for CBRE Group, Inc. for the three months ended March 31, 2019 represents an update to the more detailed and comprehensive disclosures included in our Annual Report on Form 10-K for the year ended December 31, 2018 Accordingly, you should read the following discussion in conjunction with the information included in our Annual Report on Form 10-K for the year ended December 31, 2018as well as the unaudited financial statements included elsewhere in this Quarterly Report.

In addition, the statements and assumptions in this Quarterly Report that are not statements of historical fact are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended, including, in particular, statements about our plans, strategies and prospects as well as estimates of industry growth for the next quarter and beyond. For important information regarding these forward-looking statements, please see the discussion below under the caption "Cautionary Note on Forward-Looking Statements."

Overview

CBRE Group, Inc. is a Delaware corporation. References to "the company," "we," "us" and "our" refer to CBRE Group, Inc. and include all of its consolidated subsidiaries, unless otherwise indicated or the context requires otherwise.

We are the world's largest commercial real estate services and investment firm, based on 2018 revenue, with leading global market positions in our advisory leasing, advisory property sales, occupier outsourcing and valuation businesses. As of December 31, 2018, we operated in more than 480 offices worldwide with over 90,000 employees, excluding independent affiliates.

Our business is focused on providing services to real estate occupiers and investors. For occupiers, we provide facilities management, project management, transaction (both property sales and leasing) and consulting services, among others. For investors, we provide capital markets (property sales, commercial mortgage brokerage, loan origination and servicing), leasing, investment management, property management, valuation and development services, among others. We provide services under the following brand names: "CBRE" (real estate advisory and outsourcing services); "CBRE Global Investors" (investment management); "Trammell Crow Company" (development); and "Hana" (flexible-space solutions).

Our revenue mix has shifted in recent years toward more contractual revenue as occupiers and investors increasingly prefer to purchase integrated, account-based services from firms that meet the full spectrum of their needs nationally and globally. We believe we are well-positioned to capture a growing share of this business. We generate revenue from both management fees (large multi-year portfolio and per-project contracts) and commissions on transactions. Our contractual, fee-for-services businesses generally involve occupier outsourcing (including facilities and project management), property management, investment management, appraisal/valuation and loan servicing. In addition, our leasing services business line is largely recurring in nature over time.

In 2018, we generated revenue from a highly diversified base of clients, including more than 90 of the *Fortune* 100 companies. We have been an S&P 500 company since 2006 and in 2018 we were ranked #207 on the *Fortune* 500. We have been voted the most recognized commercial real estate brand in the Lipsey Company survey for 18 years in a row (including 2019). We have also been rated a World's Most Ethical Company by the Ethisphere Institute for six consecutive years (including 2019).

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP, which require us to make estimates and assumptions that affect reported amounts. The estimates and assumptions are based on historical experience and on other factors that we believe to be reasonable. Actual results may differ from those estimates. Critical accounting policies represent the areas where more significant judgments and estimates are used in the preparation of our consolidated financial statements. A

discussion of such critical accounting policies, which include revenue recognition, goodwill and other intangible assets, and income taxes can be found in our Annual Report on Form 10-K for the year ended December 31, 2018. There have been no material changes to these policies as of March 31, 2019.

New Accounting Pronouncements

See Note 2 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report.

Seasonality

A significant portion of our revenue is seasonal, which an investor should keep in mind when comparing our financial condition and results of operations on a quarter-by-quarter basis. Historically, our revenue, operating income, net income and cash flow from operating activities tend to be lowest in the first quarter, and highest in the fourth quarter of each year. Revenue, earnings and cash flow have generally been concentrated in the fourth calendar quarter due to the focus on completing sales, financing and leasing transactions prior to year-end.

Inflation

Our commissions and other variable costs related to revenue are primarily affected by commercial real estate market supply and demand, which may be affected by inflation. However, to date, we do not believe that general inflation has had a material impact upon our operations.

Items Affecting Comparability

When you read our financial statements and the information included in this Quarterly Report, you should consider that we have experienced, and continue to experience, several material trends and uncertainties that have affected our financial condition and results of operations that make it challenging to predict our future performance based on our historical results. We believe that the following material trends and uncertainties are crucial to an understanding of the variability in our historical earnings and cash flows and the potential for continued variability in the future.

Macroeconomic Conditions

Economic trends and government policies affect global and regional commercial real estate markets as well as our operations directly. These include: overall economic activity and employment growth; interest rate levels and changes in interest rates; the cost and availability of credit; and the impact of tax and regulatory policies. Periods of economic weakness or recession, significantly rising interest rates, fiscal uncertainty, declining employment levels, decreasing demand for commercial real estate, falling real estate values, disruption to the global capital or credit markets, or the public perception that any of these events may occur, will negatively affect the performance of our business.

Compensation is our largest expense and our sales and leasing professionals generally are paid on a commission and/or bonus basis that correlates with their revenue production. As a result, the negative effect of difficult market conditions on our operating margins is partially mitigated by the inherent variability of our compensation cost structure. In addition, when negative economic conditions have been particularly severe, we have moved decisively to lower operating expenses to improve financial performance, and then have restored certain expenses as economic conditions improved. Nevertheless, adverse global and regional economic trends could pose significant risks to the performance of our operations and our financial condition.

Commercial real estate markets in the United States have generally been marked by increased demand for space, falling vacancies and higher rents since 2010. During this time, healthy U.S. property sales activity has been sustained by gradually improving market fundamentals, including higher occupancy rates and rents, broad, low-cost credit availability and increased institutional capital allocations to commercial real estate. Following years of strong growth, U.S. property sales volumes slowed in the 2016-2017 period, but improved in 2018. The U.S. sales market

got off to a slow start in 2019; however, significant capital continues to target commercial real estate and relatively low-cost financing remains plentiful. The market for commercial real estate leasing has remained strong and picked up in 2018 and early 2019, reflecting continued healthy economic and employment growth.

European countries began to emerge from recession in 2013, with economic growth improving in 2017 and 2018. Sales and leasing activity generally improved across most of Europe for several years. While leasing demand has remained relatively solid, sales market volumes weakened in early 2019. Since the United Kingdom's June 2016 referendum to leave the European Union, economic and property market performance has generally been solid. However, the continued uncertainty about the date and the terms on which the United Kingdom will leave the European Union has contributed to lower lease and sales volumes in early 2019.

In Asia Pacific, real estate leasing and investment markets have been active since late 2016. However, leasing activity and investment levels cooled in early 2019 as investors became more cautious due to global economic and geopolitical uncertainty. However, Asia Pacific investors remain a significant source of real estate investment both in the region and across other parts of the world.

Real estate investment management and property development markets have been generally favorable with abundant debt and equity capital flows into commercial real estate. Actively managed real estate equity strategies have been pressured by a shift in investor preferences from active to passive portfolio strategies and concerns about the potential for higher interest rates.

The performance of our global real estate services and investment businesses depends on sustained economic growth and job creation; stable, healthy global credit markets; and continued positive business and investor sentiment.

Effects of Acquisitions

We historically have made significant use of strategic acquisitions to add and enhance service competencies around the world. On June 12, 2018, CBRE Jason Acquisition LLC (Merger Sub), our wholly-owned subsidiary, and FacilitySource Holdings, LLC (FacilitySource), WP X Finance, LP and Warburg Pincus X Partners, LP (collectively, the Stockholders) entered into a stock purchase agreement and plan of merger (the Merger Agreement). As part of the Merger Agreement, (i) we purchased from the Stockholders all the outstanding shares of capital stock of FS WP Holdco, Inc (Blocker Corp), which owned 1,686,013 Class A units (the Blocker Units) and (ii) immediately following the acquisition of Blocker Corp, Merger Sub merged with FacilitySource, with FacilitySource continuing as the surviving company and our wholly-owned subsidiary within our Global Workplace Solutions segment (the FacilitySource Acquisition), with the remaining Blocker Units not held by Blocker Corp. canceled and converted into the right to receive cash consideration as set forth in the Merger Agreement. The estimated net initial purchase price was approximately $266.5 million, with $263.0 million paid in cash. We financed the transaction with cash on hand and borrowings under our revolving credit facility. We completed the FacilitySource Acquisition to help us (i) build a tech-enabled supply chain capability for the occupier outsourcing industry and (ii) drive meaningfully differentiated outcomes for leading occupiers of real estate.

Strategic in-fill acquisitions have also played a key role in strengthening our service offerings. The companies we acquired have generally been regional or specialty firms that complement our existing platform, or independent affiliates in which, in some cases, we held a sm all equity interest. During 2018, we acquired a retail leasing and property management firm in Australia, two firms in Israel (our former affiliate and a majority interest in a local facilities management provider), a commercial real estate services provider in San Antonio, a provider of real estate and facilities consulting services to healthcare companies across the United States and the remaining 50% equity interest in our longstanding New England joint venture. During the three months ended March 31, 2019, we acquired the assets of a leading advanced analytics software company based in the United Kingdom which provides technology and consulting services for large global data center operators and a commercial and residential real estate appraisal firm headquartered in Florida.

We believe that strategic acquisitions can significantly decrease the cost, time and commitment of management resources necessary to attain a meaningful competitive position within targeted markets or to expand our presence within our current markets. In general, however, most acquisitions will initially have an adverse impact on our operating and net income as a result of transaction-related expenditures. These include severance, lease termination, transaction and deferred financing costs, among others, and the charges and costs of integrating the acquired business and its financial and accounting systems into our own.

Our acquisition structures often include deferred and/or contingent purchase price payments in future periods that are subject to the passage of time or achievement of certain performance metrics and other conditions. As of March 31, 2019, we have accrued deferred consideration totaling $117.9 million, which is included in accounts payable and accrued expenses and in other long-term liabilities in the accompanying consolidated balance sheets set forth in Item 1 of this Quarterly Report.

International Operations

We are monitoring the economic and political developments related to the United Kingdom's referendum to leave the European Union and the potential impact on our businesses in the United Kingdom and the rest of Europe, including, in particular, sales and leasing activity in the United Kingdom, as well as any associated currency volatility impact on our results of operations.

As we continue to increase our international operations through either acquisitions or organic growth, fluctuations in the value of the U.S. dollar relative to the other currencies in which we may generate earnings could adversely affect our business, financial condition and operating results. Our Real Estate Investments business has a significant amount of euro-denominated assets under management, or AUM, as well as associated revenue and earnings in Europe. In addition, our Global Workplace Solutions business also has a significant amount of its revenue and earnings denominated in foreign currencies, such as the euro and the British pound sterling. Fluctuations in foreign currency exchange rates have resulted and may continue to result in corresponding fluctuations in our AUM, revenue and earnings.

During the three months ended March 31, 2019, approximately 41% of our business was transacted in non-U.S. dollar currencies, the majority of which included the Australian dollar, Brazilian real, British pound sterling, Canadian dollar, Chinese yuan, Danish krone, euro, Hong Kong dollar, Indian rupee, Israeli shekel, Japanese yen, Mexican peso, New Zealand dollar, Polish zloty, Singapore dollar, Swedish krona, Swiss franc and Thai baht. The following table sets forth our revenue derived from our most significant currencies (U.S. dollars in thousands):

	Three Months Ended March 31,			
	2019		2018	
United States dollar	$ 3,036,707	59.1 %	$ 2,674,217	57.2 %
British pound sterling	588,581	11.5 %	580,516	12.4 %
euro	530,425	10.3 %	495,946	10.6 %
Canadian dollar	161,896	3.2 %	160,882	3.4 %
Indian rupee	112,473	2.2 %	103,593	2.2 %
Australian dollar	87,390	1.7 %	101,557	2.2 %
Chinese yuan	73,593	1.4 %	62,375	1.3 %
Japanese yen	66,837	1.3 %	65,168	1.4 %
Singapore dollar	64,711	1.3 %	60,233	1.3 %
Brazilian real	44,121	0.9 %	40,696	0.9 %
Swiss franc	43,344	0.8 %	43,248	0.9 %
Hong Kong dollar	36,108	0.7 %	35,186	0.8 %
Mexican peso	33,191	0.6 %	32,610	0.7 %
Israeli shekel	27,223	0.5 %	6,335	0.1 %
Polish zloty	22,100	0.4 %	17,438	0.4 %
Danish krone	19,403	0.4 %	23,323	0.5 %
Thai baht	17,780	0.4 %	19,925	0.4 %
Swedish krona	17,216	0.3 %	19,420	0.4 %
New Zealand dollar	14,142	0.3 %	11,848	0.3 %
Other currencies	138,269	2.7 %	119,436	2.6 %
Total revenue	$ 5,135,510	100.0 %	$ 4,673,952	100.0 %

Although we operate globally, we report our results in U.S. dollars. As a result, the strengthening or weakening of the U.S. dollar may positively or negatively impact our reported results. For example, we estimate that had the British pound sterling-to-U.S. dollar exchange rates been 10% higher during the three months ended March 31, 2019, the net impact would have been a decrease in pre-tax income of $1.0 million. Had the euro-to-U.S. dollar exchange rates been 10% higher during the three months ended March 31, 2019, the net impact would have been an increase in pre-tax income of $2.5 million. These hypothetical calculations estimate the impact of translating results into U.S. dollars and do not include an estimate of the impact that a 10% change in the U.S. dollar against other currencies would have had on our foreign operations.

Due to the constantly changing currency exposures to which we are subject and the volatility of currency exchange rates, we cannot predict the effect of exchange rate fluctuations upon future operating results. In addition, fluctuations in currencies relative to the U.S. dollar may make it more difficult to perform period-to-period comparisons of our reported results of operations. Our international operations also are subject to, among other things, political instability and changing regulatory environments, which affects the currency markets and which as a result may adversely affect our future financial condition and results of operations. We routinely monitor these risks and related costs and evaluate the appropriate amount of oversight to allocate towards business activities in foreign countries where such risks and costs are particularly significant.

Results of Operations

The following table sets forth items derived from our consolidated statements of operations for the three months ended March 31, 2019 and 2018 (dollars in thousands):

	Three Months Ended March 31,			
	2019		2018	
Revenue:				
Fee revenue:				
Global workplace solutions	$ 691,895	13.5 %	$ 643,238	13.8 %
Property and advisory project management	288,119	5.6 %	271,994	5.8 %
Valuation	138,326	2.7 %	134,163	2.9 %
Loan servicing	46,018	0.9 %	41,814	0.9 %
Advisory leasing	622,640	12.1 %	517,509	11.1 %
Capital markets:				
Advisory sales	385,655	7.5 %	413,732	8.9 %
Commercial mortgage origination	120,879	2.4 %	107,434	2.3 %
Investment management	106,308	2.1 %	123,690	2.6 %
Development services	28,885	0.5 %	23,325	0.4 %
Total fee revenue	2,428,725	47.3 %	2,276,899	48.7 %
Pass through costs also recognized as revenue	2,706,785	52.7 %	2,397,053	51.3 %
Total revenue	5,135,510	100.0 %	4,673,952	100.0 %
Costs and expenses:				
Cost of services	4,022,034	78.3 %	3,619,961	77.4 %
Operating, administrative and other	792,876	15.4 %	732,235	15.7 %
Depreciation and amortization	105,823	2.2 %	108,165	2.3 %
Intangible asset impairment	89,037	1.7 %	—	0.0 %
Total costs and expenses	5,009,770	97.6 %	4,460,361	95.4 %
Gain on disposition of real estate	19,247	0.4 %	18	0.0 %
Operating income	144,987	2.8 %	213,609	4.6 %
Equity income from unconsolidated subsidiaries	72,664	1.4 %	40,179	0.8 %
Other income (loss)	20,853	0.4 %	(4,280)	(0.1 %)
Interest income	1,534	0.0 %	3,621	0.1 %
Interest expense	22,726	0.4 %	28,858	0.6 %
Write-off of financing costs on extinguished debt	2,608	0.0 %	27,982	0.6 %
Income before provision for income taxes	214,704	4.2 %	196,289	4.2 %
Provision for income taxes	43,878	0.9 %	46,164	1.0 %
Net income	170,826	3.3 %	150,125	3.2 %
Less: Net income (loss) attributable to non-controlling interests	6,417	0.1 %	(163)	0.0 %
Net income attributable to CBRE Group, Inc.	$ 164,409	3.2 %	$ 150,288	3.2 %
EBITDA	$ 426,947	8.3 %	$ 357,836	7.7 %
Adjusted EBITDA	$ 450,032	8.8 %	$ 347,807	7.4 %
Adjusted EBITDA on fee revenue margin		18.5 %		15.3 %

Fee revenue, EBITDA, adjusted EBITDA and adjusted EBITDA on fee revenue margin are not recognized measurements under GAAP. When analyzing our operating performance, investors should use these measures in addition to, and not as an alternative for, their most directly comparable financial measure calculated and presented in accordance with GAAP. We generally use these non-GAAP financial measures to evaluate operating performance and for other discretionary purposes. We believe these measures provide a more complete understanding of ongoing operations, enhance comparability of current results to prior periods and may be useful for investors to analyze our financial performance because they eliminate the impact of selected charges that may obscure trends in the underlying performance of our business. Because not all companies use identical calculations, our presentation of fee revenue, EBITDA, adjusted EBITDA and adjusted EBITDA on fee revenue margin may not be comparable to similarly titled measures of other companies.

Fee revenue is gross revenue less both client reimbursed costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients. We believe that investors may find this measure useful to analyze the company's overall financial performance because it excludes costs reimbursable by clients, and as such provides greater visibility into the underlying performance of our business.

EBITDA represents earnings before net interest expense, write-off of financing costs on extinguished debt, income taxes, depreciation and amortization and intangible asset impairments. Amounts shown for adjusted EBITDA further remove (from EBITDA) the impact of certain cash and non-cash items related to acquisitions, costs associated with our reorganization, including cost-savings initiatives, certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue and other non-recurring costs. We believe that investors may find these measures useful in evaluating our operating performance compared to that of other companies in our industry because their calculations generally eliminate the effects of acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions, the effects of financings and income taxes and the accounting effects of capital spending.

EBITDA and adjusted EBITDA are not intended to be measures of free cash flow for our discretionary use because they do not consider certain cash requirements such as tax and debt service payments. These measures may also differ from the amounts calculated under similarly titled definitions in our debt instruments, which amounts are further adjusted to reflect certain other cash and non-cash charges and are used by us to determine compliance with financial covenants therein and our ability to engage in certain activities, such as incurring additional debt and making certain restricted payments. We also use adjusted EBITDA as a significant component when measuring our operating performance under our employee incentive compensation programs.

EBITDA and adjusted EBITDA are calculated as follows (dollars in thousands):

	Three Months Ended March 31,	
	2019	2018
Net income attributable to CBRE Group, Inc.	$ 164,409	$ 150,288
Add:		
Depreciation and amortization	105,823	108,165
Intangible asset impairment	89,037	—
Interest expense	22,726	28,858
Write-off of financing costs on extinguished debt	2,608	27,982
Provision for income taxes	43,878	46,164
Less:		
Interest income	1,534	3,621
EBITDA	426,947	357,836
Adjustments:		
Costs associated with our reorganization, including cost-savings initiatives (1)	15,749	—
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	7,336	(10,029)
Adjusted EBITDA	$ 450,032	$ 347,807

(1) Primarily represents severance costs related to headcount reductions in connection with our reorganization announced in the third quarter of 2018 that became effective January 1, 2019.

Adjusted EBITDA on fee revenue margin is calculated as follows (dollars in thousands):

	Three Months Ended March 31,	
	2019	2018
Adjusted EBITDA	$ 450,032	$ 347,807
Fee revenue	2,428,725	2,276,899
Adjusted EBITDA on fee revenue margin	18.5 %	15.3 %

Three Months Ended March 31, 2019 Compared to the Three Months Ended March 31, 2018

We reported consolidated net income of $164.4 million for the three months ended March 31, 2019 on revenue of $5.1 billion as compared to consolidated net income of $150.3 million on revenue of $4.7 billion for the three months ended March 31, 2018.

Our revenue on a consolidated basis for the three months ended March 31, 2019 increased by $461.6 million, or 9.9%, as compared to the three months ended March 31, 2018. The revenue increase reflects strong organic growth fueled by higher revenue in our Global Workplace Solutions segment (up 15.5%) and improved revenue in

our Advisory Segment due to property and advisory project management revenue (up 11.2%) as well as increased advisory leasing (up 22.5%) and commercial mortgage origination activity (up 12.7%). These increases were partially offset by the impact of foreign currency translation, which had a $148.2 million negative impact on total revenue during the three months ended March 31, 2019, primarily driven by weakness in the Argentine peso, Australian dollar, British pound sterling, Canadian dollar, euro and Indian rupee.

Our cost of services on a consolidated basis increased by $402.1 million, or 11.1%, during the three months ended March 31, 2019 as compared to the same period in 2018. This increase was primarily due to higher costs associated with our Global Workplace Solutions segment. In addition, our sales professionals generally are paid on a commission basis, which substantially correlates with our transaction revenue performance. Accordingly, the increase in advisory lease transaction revenue led to a corresponding increase in commission expense. Lastly, higher costs in our property and advisory project management business also contributed to the increase. These items were partially offset by the impact of foreign currency translation, which had a $120.7 million positive impact on total cost of services during the three months ended March 31, 2019. Cost of services as a percentage of revenue increased from 77.4% for the three months ended March 31, 2018 to 78.3% for the three months ended March 31, 2019, primarily driven by our revenue mix, with revenue from our global workplace solutions business, which has a lower margin than revenue in our advisory business, comprising a higher percentage of revenue than in the prior year period.

Our operating, administrative and other expenses on a consolidated basis increased by $60.6 million, or 8.3%, during the three months ended March 31, 2019 as compared to the same period in 2018. The increase was mostly driven by higher payroll-related costs (including increased bonus expense) and higher carried interest expense. During the first quarter of 2019, we also incurred $14.3 million of costs in connection with our reorganization (including cost-savings initiatives). These items were partially offset by the impact of foreign currency translation, which had a $23.4 million positive impact on total operating expenses during the three months ended March 31, 2019. Operating expenses as a percentage of revenue was relatively consistent at 15.4% for the three months ended March 31, 2019 as compared to 15.7% for the three months ended March 31, 2018.

Our depreciation and amortization expense on a consolidated basis decreased by $2.3 million, or 2.2%, during the three months ended March 31, 2019 as compared to the same period in 2018. This decrease was primarily attributable to $7.1 million of lower amortization expense associated with intangibles from prior acquisitions. The decrease in amortization expense was partially offset by a rise in depreciation expense of $4.8 million during the three months ended March 31, 2019 driven by technology-related capital expenditures.

During the three months ended March 31, 2019, we recorded an intangible asset impairment of $89.0 million in our Real Estate Investments segment. This non-cash write-off resulted from a review of the anticipated cash flows and the decrease in assets under management in our public securities business driven in part by continued industry-wide shift in investor preference for passive investment programs.

Our gain on disposition of real estate on a consolidated basis was $19.2 million for the three months ended March 31, 2019. This gain resulted from property sales within our Real Estate Investments segment.

Our equity income from unconsolidated subsidiaries on a consolidated basis increased by $32.5 million, or 80.9%, during the three months ended March 31, 2019 as compared to the same period in 2018, primarily driven by higher equity earnings associated with gains on property sales reported in our Real Estate Investments segment.

Our consolidated interest expense decreased by $6.1 million, or 21.2%, for the three months ended March 31, 2019 as compared to the three months ended March 31, 2018. This decrease was primarily driven by the early redemption, in full, of the $800.0 million aggregate outstanding principal amount of our 5.00% senior notes in the first quarter of 2018.

Our write-off of financing costs on extinguished debt on a consolidated basis was $2.6 million for the three months ended March 31, 2019 as compared to $28.0 million for the three months ended March 31, 2018. The costs for the three months ended March 31, 2019 were incurred in connection with the refinancing of our credit agreement. The costs for the three months ended March 31, 2018 included a $20.0 million premium paid and the

write-off of $8.0 million of unamortized deferred financing costs in connection with the early redemption, in full, of the $800.0 million aggregate outstanding principal amount of our 5.00% senior notes.

Our provision for income taxes on a consolidated basis was $43.9 million for the three months ended March 31, 2019 as compared to $46.2 million for the same period in 2018. Our effective tax rate, after adjusting pre-tax income to remove the portion attributable to non-controlling interests, decreased from 23.5% for the three months ended March 31, 2018 to 21.1% for the three months ended March 31, 2019. We benefited from discrete items for the three months ended March 31, 2019 that exceeded the benefits for other discrete items for the prior-year period.

Segment Operations

On August 17, 2018, we announced a new organizational structure that became effective on January 1, 2019. Under the new structure, we organize our operations around, and publicly report our financial results on, three global business segments: (1) Advisory Services; (2) Global Workplace Solutions; and (3) Real Estate Investments. For additional information on our segments, see Note 14 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report.

Advisory Services

The following table summarizes our results of operations for our Advisory Services operating segment for the three months ended March 31, 2019 and 2018 (dollars in thousands):

	Three Months Ended March 31,			
	2019		2018 (1)	
Revenue:				
Fee revenue:				
Property and advisory project management	$ 288,119	15.7 %	$ 271,994	16.0 %
Valuation	138,326	7.5 %	134,163	7.9 %
Loan servicing	46,018	2.5 %	41,814	2.5 %
Advisory leasing	622,640	33.9 %	517,509	30.5 %
Capital markets:				
Advisory sales	385,655	21.1 %	413,732	24.3 %
Commercial mortgage origination	120,879	6.6 %	107,434	6.3 %
Total fee revenue	1,601,637	87.3 %	1,486,646	87.5 %
Pass through costs also recognized as revenue	232,765	12.7 %	212,788	12.5 %
Total revenue	1,834,402	100.0 %	1,699,434	100.0 %
Costs and expenses:				
Cost of services	1,083,099	59.0 %	1,008,662	59.4 %
Operating, administrative and other	496,618	27.1 %	481,818	28.4 %
Depreciation and amortization	71,647	3.9 %	64,978	3.8 %
Operating income	$ 183,038	10.0 %	$ 143,976	8.4 %
Equity income from unconsolidated subsidiaries	675	0.0 %	4,431	0.4 %
Other income	1,679	0.1 %	1,799	0.1 %
Less: Net loss attributable to non-controlling interests	(145)	0.0 %	(248)	0.0 %
Add-back: Depreciation and amortization	71,647	3.9 %	64,978	3.8 %
EBITDA	$ 257,184	14.0 %	$ 215,432	12.7 %
Adjusted EBITDA	$ 263,850	14.4 %	$ 215,432	12.7 %
Adjusted EBITDA on fee revenue margin		16.5 %		14.5 %

(1) Our new organizational structure became effective on January 1, 2019. Results for 2018 have been presented in conformity with the new structure.

Three Months Ended March 31, 2019 Compared to the Three Months Ended March 31, 2018

Revenue increased by $135.0 million, or 7.9%, for the three months ended March 31, 2019 as compared to the three months ended March 31, 2018. The revenue increase reflects strong organic growth fueled by higher leasing and commercial mortgage origination activity as well as improved property and advisory project management revenue. Foreign currency translation had a $43.5 million negative impact on total revenue during the three months ended March 31, 2019, primarily driven by weakness in the Australian dollar, British pound sterling, euro and Indian rupee.

Cost of services increased by $74.4 million, or 7.4%, for the three months ended March 31, 2019 as compared to the same period in 2018, primarily due to higher commission expense resulting from improved lease transaction revenue. Higher costs in our property and advisory project management business also contributed to the increase. Foreign currency translation had a $27.3 million positive impact on total cost of services during the three months ended March 31, 2019. Cost of services as a percentage of revenue was relatively consistent at 59.0% for the three months ended March 31, 2019 versus 59.4% for the same period in 2018.

Operating, administrative and other expenses increased by $14.8 million, or 3.1%, for the three months ended March 31, 2019 as compared to the three months ended March 31, 2018. The increase was partly driven by higher payroll-related costs. During the three months ended March 31, 2019, we also incurred $5.6 million of severance costs in connection with our reorganization, including cost-savings initiatives. Foreign currency translation had a $14.5 million positive impact on total operating expenses during the three months ended March 31, 2019.

In connection with the origination and sale of mortgage loans for which the company retains servicing rights, we record servicing assets or liabilities based on the fair value of the retained mortgage servicing rights (MSRs) on the date the loans are sold. Upon origination of a mortgage loan held for sale, the fair value of the mortgage servicing rights to be retained is included in the forecasted proceeds from the anticipated loan sale and results in a net gain (which is reflected in revenue). Subsequent to the initial recording, MSRs are amortized (within amortization expense) and carried at the lower of amortized cost or fair value in other intangible assets in the accompanying consolidated balance sheets. They are amortized in proportion to and over the estimated period that the servicing income is expected to be received. For the three months ended March 31, 2019, MSRs contributed to operating income $38.3 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $27.7 million of amortization of related intangible assets. For the three months ended March 31, 2018, MSRs contributed to operating income $32.1 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $26.9 million of amortization of related intangible assets.

Global Workplace Solutions

The following table summarizes our results of operations for our Global Workplace Solutions operating segment for the three months ended March 31, 2019 and 2018 (dollars in thousands):

	Three Months Ended March 31,			
	2019		2018 (1)	
Revenue:				
Fee revenue:				
Global workplace solutions	$ 691,895	21.9 %	$ 643,238	22.7 %
Total fee revenue	691,895	21.9 %	643,238	22.7 %
Pass through costs also recognized as revenue	2,474,020	78.1 %	2,184,265	77.3 %
Total revenue	3,165,915	100.0 %	2,827,503	100.0 %
Costs and expenses:				
Cost of services	2,938,935	92.8 %	2,611,299	92.4 %
Operating, administrative and other	135,472	4.3 %	133,512	4.7 %
Depreciation and amortization	29,483	0.9 %	36,530	1.3 %
Operating income	62,025	2.0 %	46,162	1.6 %
Equity loss from unconsolidated subsidiaries	(833)	0.0 %	—	0.0 %
Other (loss) income	(16)	0.0 %	32	0.0 %
Less: Net loss attributable to non-controlling interests	(158)	0.0 %	(11)	0.0 %
Add-back: Depreciation and amortization	29,483	0.9 %	36,530	1.3 %
EBITDA	$ 90,817	2.9 %	$ 82,735	2.9 %
Adjusted EBITDA	$ 99,679	3.1 %	$ 82,735	2.9 %
Adjusted EBITDA on fee revenue margin		14.4 %		12.9 %

(1) Our new organizational structure became effective on January 1, 2019. Results for 2018 have been presented in conformity with the new structure.

Three Months Ended March 31, 2019 Compared to the Three Months Ended March 31, 2018

Revenue increased by $338.4 million, or 12.0%, for the three months ended March 31, 2019 as compared to the three months ended March 31, 2018. The revenue increase was fueled by growth in the market for real estate outsourcing services. Foreign currency translation had a $100.4 million negative impact on total revenue during the three months ended March 31, 2019, primarily driven by weakness in the Argentine peso, British pound sterling, Canadian dollar, euro and Indian rupee.

Cost of services increased by $327.6 million, or 12.5%, for the three months ended March 31, 2019 as compared to the same period in 2018, driven by the higher revenue. Foreign currency translation had a $93.4 million positive impact on total cost of services during the three months ended March 31, 2019. Cost of services as a percentage of revenue was relatively consistent at 92.8% for the three months ended March 31, 2019 versus 92.4% for the same period in 2018.

Operating, administrative and other expenses increased by $2.0 million, or 1.5% for the three months ended March 31, 2019 as compared to the three months ended March 31, 2018. During the three months ended March 31, 2019, we incurred $8.5 million of severance costs in connection with our reorganization, including cost-savings initiatives. These costs were mostly offset by the impact of foreign currency translation, which had a $5.6 million positive impact on total operating expenses during the three months ended March 31, 2019.

Real Estate Investments

The following table summarizes our results of operations for our Real Estate Investments operating segment for the three months ended March 31, 2019 and 2018 (dollars in thousands):

	Three Months Ended March 31,			
	2019		2018 (1)	
Revenue:				
Investment management	$ 106,308	78.6%	$ 123,690	84.1%
Development services	28,885	21.4%	23,325	15.9%
Total revenue	135,193	100.0%	147,015	100.0%
Costs and expenses:				
Operating, administrative and other	160,786	118.9%	116,905	79.5%
Depreciation and amortization	4,693	3.5%	6,657	4.5%
Intangible asset impairment	89,037	65.9%	—	0.0%
Gain on disposition of real estate	19,247	14.2%	18	0.0%
Operating (loss) income	$ (100,076)	(74.1%)	$ 23,471	16.0%
Equity income from unconsolidated subsidiaries	72,822	53.9%	35,748	24.4%
Other income (loss)	19,190	14.2%	(6,111)	(4.2%)
Less: Net income attributable to non-controlling interests	6,720	5.0%	96	0.1%
Add-back: Depreciation and amortization	4,693	3.5%	6,657	4.5%
Add-back: Intangible asset impairment	89,037	65.9%	—	0.0%
EBITDA	$ 78,946	58.4%	$ 59,669	40.6%
Adjusted EBITDA	$ 86,503	64.0%	$ 49,640	33.8%

(1) Our new organizational structure became effective on January 1, 2019. Results for 2018 have been presented in conformity with the new structure.

Three Months Ended March 31, 2019 Compared to the Three Months Ended March 31, 2018

Revenue decreased by $11.8 million, or 8.0%, for the three months ended March 31, 2019 as compared to the three months ended March 31, 2018, primarily driven by lower carried interest revenue. Foreign currency translation also had a $4.3 million negative impact on total revenue during the three months ended March 31, 2019, primarily driven by weakness in the British pound sterling and euro.

Operating, administrative and other expenses increased by $43.9 million, or 37.5%, for the three months ended March 31, 2019 as compared to the same period in 2018, primarily driven by higher carried interest expense as well as higher payroll-related costs (including increased bonus expense). Foreign currency translation had a $3.3 million positive impact on total operating expenses during the three months ended March 31, 2019.

A roll forward of our AUM by product type for the three months ended March 31, 2019 is as follows (dollars in billions):

	Funds	Separate Accounts	Securities	Total
Balance at January 1, 2019	$ 35.0	$ 60.2	$ 10.3	$ 105.5
Inflows	0.4	2.6	0.1	3.1
Outflows	(0.1)	(1.7)	(1.5)	(3.3)
Market appreciation (depreciation)	0.4	(0.1)	1.6	1.9
Balance at March 31, 2019	$ 35.7	$ 61.0	$ 10.5	$ 107.2

AUM generally refers to the properties and other assets with respect to which we provide (or participate in) oversight, investment management services and other advice, and which generally consist of real estate properties or loans, securities portfolios and investments in operating companies and joint ventures. Our AUM is intended principally to reflect the extent of our presence in the real estate market, not the basis for determining our management fees. Our assets under management consist of:

- the total fair market value of the real estate properties and other assets either wholly-owned or held by joint ventures and other entities in which our sponsored funds or investment vehicles and client accounts have invested or to which they have provided financing. Committed (but unfunded) capital from investors in our sponsored funds is not included in this component of our AUM. The value of development properties is included at estimated completion cost. In the case of real estate operating companies, the total value of real properties controlled by the companies, generally through joint ventures, is included in AUM; and
- the net asset value of our managed securities portfolios, including investments (which may be comprised of committed but uncalled capital) in private real estate funds under our fund of funds investments.

Our calculation of AUM may differ from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

Liquidity and Capital Resources

We believe that we can satisfy our working capital and funding requirements with internally generated cash flow and, as necessary, borrowings under our revolving credit facility. Our expected capital requirements for 2019 include up to approximately $210 million of anticipated capital expenditures, net of tenant concessions. During the three months ended March 31, 2019, we incurred $44.2 million of capital expenditures, net of tenant concessions received. As of March 31, 2019, we had aggregate commitments of $49.1 million to fund future co-investments in our Real Estate Investments business, $23.0 million of which is expected to be funded in 2019. Additionally, as of March 31, 2019, we are committed to fund $50.3 million of additional capital to unconsolidated subsidiaries within our Real Estate Investments business, which we may be required to fund at any time. As of March 31, 2019, we had $2.5 billion of borrowings available under our $2.8 billion revolving credit facility.

We have historically relied on our internally generated cash flow and our revolving credit facility to fund our working capital, capital expenditure and general investment requirements (including strategic in-fill acquisitions) and have not sought other external sources of financing to help fund these requirements. In the absence of extraordinary events or a large strategic acquisition, we anticipate that our cash flow from operations and our revolving credit facility would be sufficient to meet our anticipated cash requirements for the foreseeable future, and at a minimum for the next 12 months. We may seek to take advantage of market opportunities to refinance existing debt instruments, as we have done in the past, with new debt instruments at interest rates, maturities and terms we deem attractive. We may also, from time to time in our sole discretion, purchase, redeem, or retire our existing senior notes, through tender offers, in privately negotiated or open market transactions, or otherwise.

As noted above, we believe that any future significant acquisitions that we may make could require us to obtain additional debt or equity financing. In the past, we have been able to obtain such financing for material transactions on terms that we believed to be reasonable. However, it is possible that we may not be able to obtain acquisition financing on favorable terms, or at all, in the future if we decide to make any further significant acquisitions.

Our long-term liquidity needs, other than those related to ordinary course obligations and commitments such as operating leases, are generally comprised of two elements. The first is the repayment of the outstanding and anticipated principal amounts of our long-term indebtedness. We are unable to project with certainty whether our long-term cash flow from operations will be sufficient to repay our long-term debt when it comes due. If our cash flow is insufficient, then we expect that we would need to refinance such indebtedness or otherwise amend its terms to extend the maturity dates. We cannot make any assurances that such refinancing or amendments would be available on attractive terms, if at all.

The second long-term liquidity need is the payment of obligations related to acquisitions. Our acquisition structures often include deferred and/or contingent purchase price payments in future periods that are subject to the passage of time or achievement of certain performance metrics and other conditions. As of March 31, 2019 and December 31, 2018, we had accrued $117.9 million ($30.0 million of which was a current liability) and $136.3 million ($41.7 million of which was a current liability), respectively, of deferred purchase consideration, which was included in accounts payable and accrued expenses and in other long-term liabilities in the accompanying consolidated balance sheets set forth in Item 1 of this Quarterly Report.

In addition, on October 27, 2016, we announced that our board of directors had authorized the company to repurchase up to an aggregate of $250.0 million of our Class A common stock over three years. As of December 31, 2018, we spent $161.0 million to repurchase 3,980,656 shares of our Class A common stock with an average price paid per share of $40.43. During the month of January 2019, we spent $45.1 million to repurchase an additional 1,144,449 shares of our Class A common stock with an average price paid per share of $39.38. Additionally, on February 28, 2019, our board of directors authorized a new program for the company to repurchase up to $300.0 million of our Class A common stock over three years, effective March 11, 2019. The previous program terminated upon the effectiveness of the new program. Our stock repurchases have been funded with cash on hand and we intend to continue funding future stock repurchases with existing cash. The timing of future repurchases and the actual amounts repurchased will depend on a variety of factors, including the market price of our common stock, general market and economic conditions and other factors.

Historical Cash Flows

Operating Activities

Net cash used in operating activities totaled $401.9 million for the three months ended March 31, 2019, an increase of $151.9 million as compared to the three months ended March 31, 2018. The increase in net cash used in operating activities was primarily driven by an increase in accounts receivable during the three months ended March 31, 2019 as compared to a decrease in accounts receivable during the three months ended March 31, 2018.

Investing Activities

Net cash used in investing activities was comparable at $64.6 million for the three months ended March 31, 2019 versus $64.2 million for the three months ended March 31, 2018.

Financing Activities

Net cash provided by financing activities totaled $300.0 million for the three months ended March 31, 2019, an increase of $118.7 million as compared to the three months ended March 31, 2018. This increase was primarily due the full redemption of the $800.0 million aggregate outstanding principal amount of our 5.00% senior notes (including $20.0 million premium) in the first quarter of 2018 as well as higher contributions received from non-controlling interests during the three months ended March 31, 2019. These items were partially offset by higher net borrowings of $550.0 million and $127.0 million from our senior term loans and revolving credit facility, respectively, in the first quarter of 2018, as well as the $45.1 million repurchase of our common stock during the three months ended March 31, 2019.

Indebtedness

Our level of indebtedness increases the possibility that we may be unable to pay the principal amount of our indebtedness and other obligations when due. In addition, we may incur additional debt from time to time to finance strategic acquisitions, investments, joint ventures or for other purposes, subject to the restrictions contained in the documents governing our indebtedness. If we incur additional debt, the risks associated with our leverage, including our ability to service our debt, would increase.

Long-Term Debt

We maintain credit facilities with third-party lenders, which we use for a variety of purposes. On October 31, 2017, CBRE Services, Inc. (CBRE Services), our wholly-owned subsidiary, entered into a Credit Agreement (the 2017 Credit Agreement), which refinanced and replaced our prior credit agreement (the 2015 Credit Agreement). On December 20, 2018, CBRE Global Acquisition Company, a wholly-owned subsidiary of CBRE Services, entered into an incremental term loan assumption agreement with a syndicate of banks jointly led by Wells Fargo Bank and National Westminster Bank plc to establish a new euro term loan facility under the 2017 Credit Agreement in an aggregate principal amount of €400.0 million. The proceeds of the new euro term loan facility were used to repay a portion of the U.S. dollar denominated term loans outstanding under the 2017 Credit Agreement. On March 4, 2019, CBRE Services entered into a n additional incremental assumption agreement with respect to the 2017 Credit Ag reement (the 2017 Agreement as amended by such incremental assumption agreement, the 2019 Credit Agreement), which (i) extended the maturity of the U.S. dollar tranche A term loans under the 2017 Credit Agreement, (ii) extended the termination date of the revolving credit commitments available under the 2017 Credit Agreement and (iii) made certain changes to the interest rates and fees applicable to such tranche A term loans and revolving credit commitments. The proceeds from the new tranche A term loan facility under the 2019 Credit Agreement were used to repay the $300.0 million of tranche A term loans outstanding under the 2017 Credit Agreement.

The 2019 Credit Agreement is a senior unsecured credit facility that is jointly and severally guaranteed by us and certain of our subsidiaries. As of March 31, 2019, the 2019 Credit Agreement provided for the following: (1) a $2.8 billion incremental revolving credit facility, which includes the capacity to obtain letters of credit and swingline loans and terminates on March 4, 2024; (2) a $300.0 million incremental tranche A term loan facility maturing on March 4, 2024, requiring quarterly principal payments unless our leverage ratio (as defined in the 2019 Credit Agreement) is less than or equal to 2.50 to 1.00 on the last day of the fiscal quarter immediately preceding any such payment date and (3) a €400.0 million term loan facility due and payable in full at maturity on December 20, 2023.

In prior years, we also issued 4.875% and 5.25% senior notes that are due in 2026 and 2025, respectively. For additional information on all of our long-term debt, see Note 11 of the Notes to Consolidated Financial Statements set forth in Item 8 included in our Annual Report on Form 10-K for the year ended December 31, 2018and Note 9 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report.

Short-Term Borrowings

We maintain a $2.8 billion revolving credit facility under the 2019 Credit Agreement and warehouse lines of credit with certain third-party lenders. For additional information on all of our short-term borrowings, see Note 11 of the Notes to Consolidated Financial Statements set forth in Item 8 included in our Annual Report on Form 10-K for

the year ended December 31, 2018 and Notes 4 and 9 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report.

Off –Balance Sheet Arrangements

Our off-balance sheet arrangements are described in Note 11 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report and are incorporated by reference herein.

Cautionary Note on Forward-Looking Statements

This Quarterly Report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The words "anticipate," "believe," "could," "should," "propose," "continue," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will" and similar terms and phrases are used in this Quarterly Report to identify forward-looking statements. Except for historical information contained herein, the matters addressed in this Quarterly Report are forward-looking statements. These statements relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies.

These forward-looking statements are made based on our management's expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. These uncertainties and factors could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements.

The following factors are among those, but are not only those, that may cause actual results to differ materially from the forward-looking statements:

- disruptions in general economic and business conditions, particularly in geographies where our business may be concentrated;
- volatility and disruption of the securities, capital and credit markets, interest rate increases, the cost and availability of capital for investment in real estate, clients' willingness to make real estate or long-term contractual commitments and other factors affecting the value of real estate assets, inside and outside the United States;
- increases in unemployment and general slowdowns in commercial activity;
- trends in pricing and risk assumption for commercial real estate services;
- the effect of significant movements in average cap rates across different property types;
- a reduction by companies in their reliance on outsourcing for their commercial real estate needs, which would affect our revenues and operating performance;
- client actions to restrain project spending and reduce outsourced staffing levels;
- declines in lending activity of U.S. Government Sponsored Enterprises, regulatory oversight of such activity and our mortgage servicing revenue from the commercial real estate mortgage market;
- our ability to diversify our revenue model to offset cyclical economic trends in the commercial real estate industry;
- our ability to attract new user and investor clients;
- our ability to retain major clients and renew related contracts;
- our ability to leverage our global services platform to maximize and sustain long-term cash flow;
- our ability to maintain EBITDA and adjusted EBITDA margins that enable us to continue investing in our platform and client service offerings;
- our ability to control costs relative to revenue growth;

- economic volatility and market uncertainty globally related to the United Kingdom's withdrawal from the European Union, including concerns relating to the economic impact of such withdrawal on businesses within the United Kingdom and Europe;
- foreign currency fluctuations;
- our ability to retain and incentivize key personnel;
- our ability to compete globally, or in specific geographic markets or business segments that are material to us;
- the emergence of disruptive business models and technologies;
- our ability to identify, acquire and integrate synergistic and accretive businesses;
- costs and potential future capital requirements relating to businesses we may acquire;
- integration challenges arising out of companies we may acquire;
- the ability of our Real Estate Investments segment to maintain and grow assets under management and achieve desired investment returns for our investors, and any potential related litigation, liabilities or reputational harm possible if we fail to do so;
- our ability to manage fluctuations in net earnings and cash flow, which could result from poor performance in our investment programs, including our participation as a principal in real estate investments;
- our leverage under our debt instruments as well as the limited restrictions therein on our ability to incur additional debt, and the potential increased borrowing costs to us from a credit-ratings downgrade;
- the ability of CBRE Capital Markets to periodically amend, or replace, on satisfactory terms, the agreements for its warehouse lines of credit;
- variations in historically customary seasonal patterns that cause our business not to perform as expected;
- litigation and its financial and reputational risks to us;
- our exposure to liabilities in connection with real estate advisory and property management activities and our ability to procure sufficient insurance coverage on acceptable terms;
- liabilities under guarantees, or for construction defects, that we incur in our Development Services business;
- our and our employees' ability to execute on, and adapt to, information technology strategies and trends;
- cybersecurity threats, including the potential misappropriation of assets or sensitive information, corruption of data or operational disruption;
- changes in domestic and international law and regulatory environments (including relating to anti-corruption, anti-money laundering, trade sanctions, tariffs, currency controls and other trade control laws), particularly in Russia, Eastern Europe and the Middle East, due to the level of political instability in those regions;
- our ability to comply with laws and regulations related to our global operations, including real estate licensure, tax, labor and employment laws and regulations, as well as the anti-corruption laws and trade sanctions of the U.S. and other countries;
- negative publicity or actions by our employees, regulators, media, activists, competitors or others that harm our reputation or brand;
- changes in applicable tax or accounting requirements, including the impact of any subsequent additional regulation or guidance associated with the Tax Cuts and Jobs Act (which was enacted into law on December 22, 2017);
- the effect of implementation of new accounting rules and standards; and
- the other factors described elsewhere in this Quarterly Report on Form 10-Q, included under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations—

Critical Accounting Policies," "Quantitative and Qualitative Disclosures About Market Risk" and Part II, Item 1A, "Risk Factors" or as described in our Annual Report on Form 10-K for the year ended December 31, 2018, in particular in Part II, Item 1A "Risk Factors", or as described in the other documents and reports we file with the Securities and Exchange Commission (SEC).

Forward-looking statements speak only as of the date the statements are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. Additional information concerning these and other risks and uncertainties is contained in our other periodic filings with the SEC.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The information in this section should be read in connection with the information on market risk related to changes in interest rates and non-U.S. currency exchange rates in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2018

Our exposure to market risk primarily consists of foreign currency exchange rate fluctuations related to our international operations and changes in interest rates on debt obligations. We manage such risk primarily by managing the amount, sources, and duration of our debt funding and by using derivative financial instruments. We apply Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 815, *"Derivatives and Hedging,"* when accounting for derivative financial instruments. In all cases, we view derivative financial instruments as a risk management tool and, accordingly, do not use derivatives for trading or speculative purposes.

Exchange Rates

Our foreign operations expose us to fluctuations in foreign exchange rates. These fluctuations may impact the value of our cash receipts and payments in terms of our functional (reporting) currency, which is U.S. dollars. See the discussion of international operations, which is included in Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the caption "Items Affecting Comparability—International Operations" and is incorporated by reference herein.

Interest Rates

We manage our interest expense by using a combination of fixed and variable rate debt. We enter into interest rate swap agreements to attempt to hedge the variability of future interest payments due to changes in interest rates. See discussion of our interest rate swap agreements, which is included in Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the caption "Liquidity and Capital Resources—Indebtedness—Interest Rate Swap Agreements" and is incorporated by reference herein.

The estimated fair value of our senior term loans was approximately $725.0 million at March 31, 2019. Based on dealers' quotes, the estimated fair values of our 4.875% senior notes and 5.25% senior notes were $634.8 million and $455.7 million, respectively, at March 31, 2019.

We utilize sensitivity analyses to assess the potential effect on our variable rate debt. If interest rates were to increase 100 basis points on our outstanding variable rate debt at March 31, 2019, the net impact of the additional interest cost would be a decrease of $2.2 million on pre-tax income and an increase of $2.2 million in cash used in operating activities for the three months ended March 31, 2019.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Rule 13a-15 of the Securities and Exchange Act of 1934, as amended, requires that we conduct an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report, and we have a disclosure policy in furtherance of the same. This evaluation is designed to ensure that all corporate disclosure is complete and accurate in all material respects. The evaluation is further designed to ensure that all information required to be disclosed in our SEC reports is accumulated and communicated to management to allow timely decisions regarding required disclosures and recorded, processed, summarized and reported within the time periods and in the manner specified in the SEC's rules and forms. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our Chief Executive Officer and Chief Financial Officer supervise and participate in this evaluation, and they are assisted by our Chief Accounting Officer and other members of our Disclosure Committee. In addition to our Chief Accounting Officer, our Disclosure Committee consists of our General Counsel, our Chief Digital and Technology Officer, our chief communication officer, our corporate controller, our senior director of Global SOX Assurance, our senior officers of significant business lines and other select employees.

We conducted the required evaluation, and our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined by Securities Exchange Act Rule 13a-15(e)) were effective as of March 31, 2019 to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting occurred during the fiscal quarter ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

There have been no material changes to our legal proceedings as previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Item 1A. Risk Factors

There have been no material changes to our risk factors as previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Open market share repurchase activity during the three months ended March 31, 2019 was as follows (dollars in thousands, except per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
January 1, 2019 - January 31, 2019	1,144,449	$ 39.38	1,144,449	
February 1, 2019 - February 28, 2019	—	$ —	—	
March 1, 2019 - March 31, 2019	—	$ —	—	
Total	1,144,449	$ 39.38	1,144,449	$ 300,000

(1) On October 27, 2016, we announced that our board of directors had authorized the company to repurchase up to an aggregate of $250.0 million of our Class A common stock over three years (the prior program), of which $206.1 million had been utilized as of the termination of the prior program on March 11, 2019. Additionally, on February 28, 2019, our board of directors authorized a new program for the company to repurchase up to $300.0 million of our Class A common stock over three years, effective March 11, 2019. As noted above, the prior program terminated upon the effectiveness of the new program.

Our repurchase programs do not obligate us to acquire any specific number of shares. Under these programs, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act. The timing of any future repurchases and the actual amounts repurchased will depend on a variety of factors, including the market price of our common stock, general market and economic conditions and other factors.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	SEC File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of CBRE Group, Inc.	8-K	001-32205	3.1	05/23/2018	
3.2	Amended and Restated By-Laws of CBRE Group, Inc.	8-K	001-32205	3.2	05/23/2018	
10.1	Letter Agreement dated as of January 4, 2019 by and between CBRE, Inc. and James R. Groch +					X
10.2	Letter Agreement dated as of April 4, 2019 by and between CBRE, Inc. and Leah C. Stearns +					X
10.3	CBRE Group, Inc. Executive Bonus Plan +					X
10.4	Incremental Term Loan Assumption Agreement, dated as of March 4, 2019, among CBRE Group, Inc., CBRE Services, Inc., certain subsidiaries of CBRE Services, Inc., the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent	8-K	001-32205	10.1	03/05/2019	
10.5	Form of Grant Notice and Restricted Stock Unit Agreement for the CBRE Group, Inc. 2017 Equity Incentive Plan (Time Vest) +	8-K	001-32205	10.2	03/05/2019	
10.6	Form of Grant Notice and Restricted Stock Unit Agreement for the CBRE Group, Inc. 2017 Equity Incentive Plan (Performance Vest) +	8-K	001-32205	10.3	03/05/2019	
10.7	Form of Grant Notice and Restricted Stock Unit Agreement for the CBRE Group, Inc. 2017 Equity Incentive Plan (Groch Time Vest) +	8-K	001-32205	10.4	03/05/2019	
10.8	Form of Grant Notice and Restricted Stock Unit Agreement for the CBRE Group, Inc. 2017 Equity Incentive Plan (Groch Performance Vest) +	8-K	001-32205	10.5	03/05/2019	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002					X
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002					X

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	SEC File No.	Exhibit	Filing Date	
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X

\+ Denotes a management contract or compensatory arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CBRE GROUP, INC.

Date: May 10, 2019	/s/ James R. Groch
	James R. Groch
	Chief Financial Officer (Principal Financial Officer)
Date: May 10, 2019	/s/ Dara A. Bazzano
	Dara A. Bazzano
	Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.1

2100 McKinney Avenue
Suite 900
Dallas, TX 75201

214-863-3195 Tel

Bob.sulentic@cbre.com
www.cbre.com

Robert E. Sulentic
President & CEO

CBRE, Inc.

January 4, 2019

James R. Groch
2929 Arch Street, Suite 1500
Philadelphia, PA 1904-7343

Dear Jim:

This letter memorializes our understanding regarding your transition from your current positions as Chief Financial Officer and Global Director of Corporate Development of CBRE Group, Inc. (the "Company ") effective upon the date on which a successor Chief Financial Officer of the Company is appointed (such date, the "Transition Date"). On the Transition Date, you will assume the position of Global Group President and Chief Investment Officer, which position reports directly to the Company's Chief Executive Officer.

As Global Group President and Chief Investment Officer, you will (i) allocate and deploy our capital through oversight of the Company's mergers and acquisitions activities (Corporate Development will continue to report to you), (ii) oversee the allocation of capital to the Company's Real Estate Investments businesses, such capital to be deployed by those businesses, and (iii) allocate capital to stock repurchase programs which would be executed by the finance organization. In addition, you will chair the Company's M&A Committee. You will also attend meetings of the Company's Board of Directors generally on the same basis as reporting segment chief executive officers. Your base salary, target bonus, target annual equity awards and all other benefits and compensation under any other plan, policy, agreement and arrangement of the Company or its affiliates in which you participate will not be impacted by this change in your position.

You acknowledge and agree that the transition of your role from Chief Financial Officer to Global Group President and Chief Investment Officer, including the title change and the commensurate change in duties, responsibilities and authority as a result of the transition will not constitute Good Reason under the Company's Change in Control and Severance Plan for Senior Management, your equity awards or any other plan, policy, agreement and arrangement of the Company or its affiliates in which you participate.

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You also acknowledge and agree that nothing in this letter alters or amends the definition of Good Reason applicable to you under the Company's Change in Control and Severance Plan for Senior Management, your equity awards or any other plan, policy, agreement and arrangement of the Company or its affiliates in which you participate.

The definition of "Retirement" applicable to all of your outstanding (and any future) equity awards under 1) the Company's 2017 Equity Incentive Plan, 2) all other prior equity incentive plans and 3) any future incentive plans, will be amended to, or if drafted in the future will, provide that you will become Retirement eligible upon attaining age 58 (rather than, for example, age 62 with 10 years of continuous service).

Please sign below and return one signed copy of this letter to Chris Kirk and Pasha Zargarof as confirmation of your acceptance of this letter.

If you have any questions, please do not hesitate to call me.

Sincerely,

CBRE GROUP, INC.

By: /s/ Robert E. Sulentic
Robert E. Sulentic
Chief Executive Officer

ACCEPTED:

/s/ James R. Groch 1/4/19

James R. Groch Date

Exhibit 10.2

2100 McKinney Avenue
Suite 900
Dallas, TX 75201

214-863-3195 Tel

Bob.sulentic@cbre.com
www.cbre.com

Robert E. Sulentic
President & CEO

CBRE, Inc.

April 4, 2019

Leah Stearns
[XXXXXXXXXXX]
[XXXXXXXXXXX]
[XXXXXXXXXXX]

Dear Leah:

We are excited that you will be joining CBRE! We hope you will find your new position to be a challenging and rewarding experience. This letter serves to confirm the full and complete terms of our employment offer.

<u>Position and Estimated Start Date</u>

Chief Financial Officer. You will join as Chief Financial Officer effective on or about May 15, 2019.

<u>Location</u>

This position will be based in Dallas, Texas. You will move your primary residence and relocate your family to Dallas during the summer of 2019 and, until you relocate, you will regularly commute to Dallas. CBRE will reimburse you for reasonable and customary closing costs on the sale of your home in Boston and the purchase of your home in Dallas. You will be eligible for other relocation benefits generally provided to executives under CBRE's policies.

<u>Reports To</u>

This position reports to CBRE's Chief Executive Officer.

Strategic Performance Priorities

Your strategic performance priorities for the 2019 performance year are set forth in **Appendix A**.

Base Salary

Annual salary of $700,000, paid bi-weekly.

Annual Bonus Eligibility

You will be eligible for a discretionary bonus award under the terms of the Company's Executive Bonus Plan ("EBP"), a copy of which has been provided to you. You will have a target annual bonus of $1,000,000. Actual awards under the EBP may range from 0% to 200% of target, depending on Company and individual performance and in all cases, are paid at the sole discretion of the Company. With respect to the 2019 performance year only, your annual bonus award will be pro-rated based on your start date, but will be no less than 100% of the pro-rated target. As stated in the EBP, an express condition of earning or vesting in this bonus is your continued employment through the date bonuses are paid. Should your employment terminate prior to the date on which bonuses are paid, no bonus will have been earned or vested and none will be payable, except as may be provided in the EBP. The bonus payment date is normally on or before March 15 of the succeeding year, but the Company reserves the right to change this date as it deems appropriate.

Annual Equity

You will be eligible to be considered for CBRE's broad-based equity incentive program in the same manner and under the same conditions set by CBRE for other similarly situated executives. All grants are subject to the approval of the Compensation Committee of CBRE's Board of Directors each year prior to making the grant. The specific form of the grant (e.g., restricted stock units), the number of units and vesting period/conditions are determined at the sole discretion of CBRE at the time of the grant, and are subject to the terms of the Company's Equity Incentive Plan. For calendar year 2019 and thereafter in the discretion of the Company, you will be recommended to the Compensation Committee for an equity award with a grant date value of $2,200,000. For 2019, the grant date value of your award will be prorated for your start date with the Company. This grant will be made as soon as practical after your start date.

Strategic Equity Award

Upon your arrival, or as soon as practical thereafter, you will receive an equity grant with a grant date value of $3,000,000, subject to the terms of the "Special Grant" received by senior officers of the Company in December 2017. Under the terms of this grant, subject to your continued employment at the time of vesting:

- 1/3 of the Strategic Equity Grant is based on a cliff vest at the end of 2023 (time-based vesting).
- 1/3 of the Strategic Equity Grant is based upon the extent to which the Company's cumulative EPS growth rate compares to the cumulative EPS growth rate of the S&P 500 over a six-year measurement period ending December 31, 2023; vesting would occur as soon as practical after payout results are certified. The number of shares that will actually vest under this portion of the grant may range from 0% to 175% of target based on performance.
- 1/3 of the Strategic Equity Grant is based upon the extent to which the Company's total shareholder returns compares to the total shareholder returns of the S&P 500 over a six-year measurement period ending December 1, 2023; vesting would occur as soon as practical after payout results are certified. The number of shares that will actually vest under this portion of the grant may range from 0% to 175% of target based on performance.

In connection with and as a condition to receiving the Strategic Equity Grant, you will be required to execute a Restrictive Covenants Agreement in generally the same form as other executives receiving similar grants. These covenants include a 12-month post-employment non-compete and 12-month non-solicitation covenants regarding the Company's employees and clients.

Transition Equity Award

As soon as practical after your arrival at the Company, you will receive an award of restricted stock units with a grant date value of approximately $2,000,000, which units will vest in equal installments of 25% on each of the first four anniversaries of the grant date subject to your continued employment. This grant will be further subject to the terms and conditions set forth in the Company's Equity Incentive Plan and the equity award.

Cash Transition Bonus

As soon as practical following your relocation to Dallas, you will receive a one-time Cash Transition Bonus of $1,000,000 (net of applicable withholding). You expressly agree and acknowledge that you will be required to repay 100% of the Cash Transition Bonus paid to you if you resign from the Company or are terminated for cause (as defined in the Company's severance plan for similarly situated executives) prior to the fourth anniversary of your start date.

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Benefits for Full-Time Employees

Eligibility in the corporate welfare benefits package, which includes medical, dental, vision, disability, health care and dependent care reimbursement accounts, life and AD&D insurance, commences on the first day of the month coinciding with or following your date of hire (those who begin employment on the first day of the month, become eligible that same day). You must make your plan elections within 30 calendar days from date of hire. Otherwise, you will only be covered under the company-paid benefit plans for which you are eligible and you will not have another opportunity to enroll in the plans until the annual open enrollment in November, which becomes effective January 1. Eligibility for the CBRE 401(k) Plan is effective beginning on your date of hire. However, your active participation in the Plan begins with the first pay period after you contact Fidelity, the record keeper for the CBRE 401(k) Plan, to designate your contribution percentage and make your investment selections. It may take up to seven business days to transmit your data and establish your eligibility record in Fidelity's system.

HCE Benefits

As outlined by Company policy, salaried exempt employees earning a base salary of $100,000.00 or more are considered to be participants of our "Highly Compensated Employee" (HCE) program. As a participant, you are eligible to take unlimited Paid Time Off (PTO) subject to prior authorization of your manager and so long as you are performing satisfactorily and meeting your performance priorities. In addition to the HCE PTO benefit, employees within the HCE Program are entitled to severance and enhanced Leave of Absence benefits.

Contingencies

This offer and your continued employment are contingent upon completion of an employment application and satisfactory results of a background check at the company's expense. This includes, but is not limited to, a satisfactory criminal record check. This offer is also contingent upon our verification of your eligibility for employment in the United States as required by Federal law. After this signed offer letter is on file, you will receive an e-mail containing instructions on how to sign-in and complete Section 1 of your electronic I-9 Form using e-Verify. Please contact Darcy Mackay at [XXX.XXX.XXX] for assistance with meeting these conditions.

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Confidentiality

The protection of confidential information and trade secrets is essential for CBRE, its companies and employees' future security. To protect such information, you may not disclose any Trade Secrets or Confidential Information (defined further in CBRE's policies). You are subject to the Company's Confidentiality Policy even after employment with the Company terminates. Under the federal Defend Trade Secrets Act of 2016, you shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (a) (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; (b) to your attorney in relation to a lawsuit for retaliation against you for reporting a suspected violation of law; or (c) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Non-Solicitation

In order to preserve the confidentiality of the information referred to in the preceding paragraph, and to protect CBRE's proprietary interest in its trade secrets, you agree that for a period of one year following the termination of employment with CBRE, (i) you will not solicit, on your own behalf or on behalf of any other person, firm, company or corporation, any of CBRE's clients or prospective or potential clients whom you dealt or became acquainted while you were employed with CBRE, and (ii) you will not solicit for employment, on your own behalf or on behalf of any other person, firm, company or corporation, any of CBRE's salespeople or employees whom you became acquainted with while you were employed by CBRE.

Your employment and this Non-Solicitation section shall be interpreted under and enforced pursuant to the laws of the State of Texas. You agree that you have been given sufficient time to seek, been represented by, and relied upon independent counsel to advise you on your obligations contained in this section, and specifically, you have been represented by counsel with respect to your non-solicitation obligations and the choice of Texas law.

Work Product

CBRE will exclusively own all work product that is made by you solely or jointly with others within the scope of your employment with CBRE, and you hereby irrevocably and unconditionally assign to CBRE all right, title, and interest worldwide in and to such work product. You understand and agree that you have no right to publish on, submit for publishing, or use for any publication any work product protected by this paragraph, except as necessary to perform services for CBRE.

Former Employer Information

You agree that you will not, during your employment with the Company, improperly use or disclose, or induce the Company to use, any proprietary information or trade secrets of any former or concurrent employer or other person or entity and that you will not bring onto the premises of the Company any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity. You will comply with and honor all lawful and enforceable agreements and other legal obligations that you have with your current or former employer(s). This could include any confidentiality, non-solicit or non-competition agreements that could restrict your ability to conduct business for a new employer, such as CBRE. Attached as Appendix B is a true, accurate and complete photocopy any such agreement(s). If Appendix B is blank, you hereby represent and warrant to the Company that you are not subject to any such agreements.

Mutual Arbitration

Pursuant to the Federal Arbitration Act, in the event of any dispute or claim between you and CBRE (including all of its employees, agents, subsidiary and affiliated entities, benefit plans, benefit plans' sponsors, fiduciaries, administrators, affiliates, and all successors and assigns of any of them), we jointly agree to submit all such disputes or claims to confidential binding arbitration and waive any right to a jury trial. The claims and disputes subject to arbitration include all claims arising from or related to your employment or the termination of your employment including, but not limited to, claims for wages or other compensation due; claims for breach of any contract or covenant (express or implied); tort claims; claims for misappropriation of trade secrets or unfair competition; claims for discrimination, harassment or retaliation (including, but not limited to, race, sex, religion, national origin, age, marital status, or medical condition or disability); claims for benefits (except where an employee benefit or pension plan specifies that its claims procedure shall culminate in an arbitration procedure different from this one); and claims for violation of any federal, state, or governmental law, statute, regulation, or ordinance.
All claims or disputes subject to arbitration, other than claims seeking to enforce rights under Section 7 of the National Labor Relations Act, must be brought in the party's individual capacity, and not as a plaintiff or class member in any class, collective, or representative action. Any disputes concerning the validity of this multi-plaintiff, class, collective, and representative action waiver will be decided by a court of competent jurisdiction, not by the arbitrator. In the event a court determines this waiver is unenforceable with respect to any claim, then this waiver shall not apply to that claim.
The arbitration (i) shall be conducted pursuant to JAMS Employment Arbitration Rules & Procedures, which rules are incorporated by reference and may be accessed directly

through JAMS or its website and; (ii) shall be heard before a retired State or Federal judge in the county containing the Company's office in which you were last employed, unless the parties agree otherwise. The Company shall pay for all fees and costs of the Arbitrator;

however, each party shall pay for its own costs and attorneys' fees, if any, except as otherwise required by law.
Notwithstanding the foregoing, without waiving the right to arbitration, any party may seek provisional relief from a court, to the extent provided by applicable federal or state law, upon the ground that the award to which the party may be entitled may be rendered ineffectual without provisional relief. Moreover, this arbitration provision does not preclude the parties from filing charges or participating in any investigation before a federal, state, local or other governmental agency.

At Will Employer

CBRE is an "at will" employer which means that either you or CBRE may terminate your employment at any time with or without notice or cause.

All references in this letter to "the Company", "we," "us," or "our" (or words of similar connotation) are references to CBRE.

On behalf of all of us at CBRE, we are excited that you will join us and we hope that you find your association with our Company to be challenging and fulfilling in every respect.

If you have any questions or if I can provide you with further information, please do not hesitate to contact me.

Sincerely,

/s/ Robert E. Sulentic
Robert E. Sulentic
Chief Executive Officer

ACCEPTED:

/s/ Leah Stearns 4/5/19

Leah Stearns Date

APPENDIX A

2019 Strategic Priorities

[Omitted]

APPENDIX B

Agreements with Other Employers

N/A

Exhibit 10.3

CBRE GROUP, INC.

EXECUTIVE BONUS PLAN

Dated February 28, 2019

1. PLAN OBJECTIVE

The Executive Bonus Plan ("EBP" or the "Plan") has been designed to reward and encourage the efforts of the executive officers of CBRE Group, Inc. ("CBRE" or the "Company") to successfully attain the Company's goals by directly tying the Participant's compensation to Company and individual results. The EBP is also designed to (a) provide competitive compensation opportunities for executive officers and (b) assist in retaining and attracting key employees for CBRE.

2. EFFECTIVENESS AND PLAN YEAR

The Plan is dated the first date set forth above and is effective in respect of the 2019 Plan Year (as defined below) such that it shall apply in respect of Awards (as defined below) in respect of such Plan Year. The Plan will remain in effect until suspended, amended, terminated or otherwise altered in accordance with Section 10 hereof. The Plan supersedes and replaces, in total, all prior versions of the Plan or any other bonus guarantees. A "Plan Year" starts on January 1 and ends December 31 of the same year.

3. PLAN ADMINISTRATION

Human Resources will administer the Plan, including participation, eligibility criteria and payment of Awards, subject to final review and approval by the Chief Executive Officer and the Compensation Committee of the Board of Directors (the "Committee").

4. ELIGIBILITY

4.1 Eligibility for participation in the EBP and receipt of bonus awards pursuant to the terms and conditions of the Plan ("Awards") will be limited to the Chief Executive Officer and other executive officers specifically designated and approved by the Chief Executive Officer and the Committee each year (the CEO and such other officers so designated and approved, "Participants"). Unless otherwise specifically approved by the Chief Executive Officer and the Committee, executive officers who participate in any other Company bonus plan, as well as executive officers who are paid on a commission basis or participate in the bonus plan for commissioned salespersons, are not eligible to participate in the EBP.

4.2 Participation for a Participant begins on the first day of employment or the designated effective date of a Participant's eligibility to participate in the Plan. Eligibility for the Plan does not guarantee payment of an Award because payment is dependent upon earning the Award and the other provisions of the Plan, including both individual and Company performance.

4.3 Participants who are newly hired, transfer to a new position or become eligible to participate during a Plan Year are eligible to earn an Award as follows:

(a) Newly-hired or newly-eligible Participants will be eligible for a pro-rated Award based on the number of full weeks worked in the eligible position from the first date of employment or the designated effective date during the Plan Year.

(b) Participants who transfer to a new position that is not then eligible for the Plan will be eligible for a prorated Award based on the number of full weeks worked in the eligible position during the Plan Year.

(c) Participants who transfer or are promoted to another position and remain eligible for the Plan under the new position will be eligible to earn a prorated Award for each position based on the number of full weeks worked in each position during the Plan Year. Eligibility to earn Awards will be based on the number of full weeks the Participant worked in each position and the applicable Target Awards and/or ratings for each position.

4.4 If the employment status of a Participant changes prior to the Payment Date (as defined below), eligibility for an Award will depend on the reason for the status change:

(a) Resignation or voluntary termination for any reason: Eligibility for Awards is forfeited on resignation or voluntary termination by the Participant for any reason before the Payment Date.

(b) Involuntary termination for Cause: Eligibility for Awards is forfeited on involuntary termination by the Company for Cause before the Payment Date. As used herein, the term "Cause" shall mean: (i) an uncured material breach by a Participant of one or more of the material terms and conditions of such Participant's employment agreement, (ii) a material violation by a Participant of the Company's published policies without permission or just cause, (iii) a Participant's substantial and continuing non-performance under such Participant's employment agreement, (iv) any act of fraud, embezzlement or other dishonesty in connection with a Participant's duties and obligations, (v) any intentional act by a Participant that would jeopardize the Company's licenses to do business, or (vi) the commission by a Participant of any illegal and/or unethical act that adversely and materially affects the character, goodwill and public reputation of the Company.

(c) Involuntary termination not for Cause: Eligibility for Awards is forfeited on involuntary termination by the Company not for Cause before the Payment Date. Participants classified as a Highly Compensated Employee ("HCE") and eligible for severance benefits as defined by the Severance Pay Policy then in effect are eligible (but not guaranteed) to receive a pro-rated target bonus at the sole discretion of the Company under the provisions of the Company's Severance Pay

Policy then in effect.

(d) Retirement: If a Participant Retires (as defined below) prior to a Payment Date and participated in the Plan for at least 26 full weeks of the Plan Year, eligibility for an Award may (but is not guaranteed to) be prorated based on the number of full weeks of participation in the Plan Year. If paid, a prorated Award will be paid at the time that Awards are paid to Participants generally. If participation in the Plan is for less than 26 full weeks during the Plan Year, the Retiring Participant is not eligible for an Award for that Plan Year. As used in this Section 4.4(d), "Retire" (and corresponding terms) means voluntary termination of employment by a Participant with the Company or an affiliated company, where such Participant has completed at least ten years of Continuous Service and (i) for U.S. Participants, the attainment of age 62, or (ii) for non-U.S. Participants, the attainment of age 62 or such earlier age at which such Participant is required to retire from Continuous Service under applicable law or an applicable retirement plan or policy. "Continuous Service" means uninterrupted service as an employee. A Participant's Continuous Service does not terminate if he or she is a common-law employee and goes on a bona fide leave of absence that was approved by the Company in writing and the terms of the leave provide for continued service crediting, or when continued service crediting is required by applicable law.

(e) Death or disability: If a Participant dies or becomes disabled prior to a Payment Date, eligibility for an Award may (but is not guaranteed to) be prorated based on the number of full weeks of participation in the Plan Year. If paid, any prorated Award will be paid at the time that Awards are paid to Participants generally. A Participant will be considered "disabled" if the Participant is disabled as defined under the provisions of the Company's Long-Term Disability Plan then in effect. For a Participant who dies prior to the Payment Date, the Award (if paid) will be paid to the Participant's beneficiary as designated in the Participant's group term life insurance at the time of death.

5. DISCRETIONARY COMPANY THRESHOLDS

Awards may not be paid to any Participant if the Company fails to achieve one or more minimum financial performance targets (the "Discretionary Company Thresholds") as determined and set by the Company in its sole discretion. The Discretionary Company Thresholds may be set and/or amended by the Company at its sole discretion at any time during the Plan Year and up to the Payment Date.

6. TIMING OF CALCULATIONS, PAYMENTS

6.1 Awards are earned by performance during the Plan Year and by remaining actively employed by the Company through the date Awards are paid.

6.2 Subject to final approval by the Chief Executive Officer and the Committee, Awards will

be paid on or before March 15 following the end of the Plan Year with respect to which the Award relates (such date of payment, the "Payment Date").

6.3 Subject to Sections 4.4(c), 4.4(d) and 4.4(e), if a Participant's employment terminates for any reason (whether voluntarily or involuntarily) either during the Plan Year or following the end of the Plan Year but prior to the Payment Date, unless otherwise determined by the Company pursuant to the terms hereof, no Award (or portion thereof) shall be payable or earned with respect to such Plan Year.

6.4 It is intended that all Awards earned will be paid in cash. However, the Company reserves the right to distribute common stock in the Company or other non-cash forms of compensation in lieu of cash in the event economic circumstances dictate such action.

6.5 Federal and state income taxes and other required taxes will be withheld from bonuses under applicable law.

6.6 To the extent that any Awards under the Plan are subject to Section 409A of the Internal Revenue Code ("IRC"), the terms and administration of such Awards shall comply with the provisions of such Section, applicable IRC guidance and good faith reasonable interpretations thereof, and, to the extent necessary to achieve compliance, such Awards shall be modified, replaced, or terminated at the discretion of the Committee.

7. MAXIMUM ANNUAL BONUSES

The maximum Award to be received by any Participant shall not exceed 200% of the Target Award (as defined below), inclusive of CEO Awards (as defined below).

8. CEO AWARDS

The Company reserves the right to award to a Participant a supplemental discretionary bonus award in cases of exceptional and exceedingly deserving circumstances, the amount of which shall be determined in the Chief Executive Officer's sole discretion (subject to the ratification by the Committee). This supplemental award is referred to herein as a "CEO Award."

9. AWARD CALCULATION

9.1 Participants are eligible for an Award each Plan Year, based on (a) financial measures ("Financial Performance Targets") for the Company, business segment, business unit or line of business, and (b) individual achievement of important Company or individual objectives in each Participant's area of responsibility ("Strategic Performance Objectives").

9.2 Target Awards:

(a) Each Participant will be assigned a "Target Award" by the Company in its sole discretion (generally based on a Participant's position and that position's potential

contribution to the Company) by March 31 of each Plan Year. For new hires or newly-eligible Participants (whether by transfer or promotion), the Target Award will be set within ninety (90) days of eligibility for the Plan.

(b) Target Awards will be determined based on Financial Performance Targets and Strategic Performance Objectives established at or near the beginning of a Plan Year for each Participant (or for new hires or newly-eligible Participants (whether by transfer or promotion), established at or near the date of their eligibility to participate in the Plan). Awards will be determined as set forth in Section 9.5 below by making a preliminary determination of the Award based on achievement of Financial Performance Targets and then adjusting that resulting amount for each Participant (as further weighted by his or her Strategic Performance Portion (as defined below)) based on performance against Strategic Performance Objectives. At the Committee's direction, Strategic Performance Objectives account for 20% to 50% (inclusive) of the Target Award (depending on the executive category) (the "Strategic Performance Portion"), and the remainder is the "Financial Performance Portion." For example, if the Committee determines that an Award should be weighted 80% on financial measures and 20% on strategic objectives, then that Participant's Financial Performance Portion would be 80%, and that Participant's Strategic Performance Portion would be 20%.

(c) In the event that a Target Award amount or weighting of any component thereof is changed during a Plan Year, the payment of that Plan Year's Award will be pro-rated based on the number of full weeks that each respective Target Award (or such component's weighting) was in force, unless other written agreements supersede this provision.

9.3 Financial Performance Targets: Financial Performance Targets are approved by the Committee at or near the beginning of each Plan Year. Until otherwise designated by the Committee, EBITDA is the metric utilized to set Financial Performance Targets for the Company, regions, business units and lines of business, as adjusted to eliminate the effects of charges for restructurings, discontinued operations, extraordinary items and other unusual or non-recurring items as well as the cumulative effect of tax or accounting changes. The Company (with the approval of the Committee) reserves the right to change the Financial Performance Target metric from time to time without the necessity of amending the Plan.

9.4 Strategic Performance Objectives:

(a) Participants must have measurable Strategic Performance Objectives set by the Company in writing by March 31 of each Plan Year in respect of that Plan Year, with the Company having the discretion (but not being required) to assign relative weights to each such Strategic Performance Objective. If relative weights are not assigned, then each Strategic Performance Objective will be given an equal weighting.

(b) For new hires or newly-eligible Participants (whether by transfer or promotion), the Strategic Performance Objectives must be set within ninety (90) days of eligibility for the Plan.

(c) Non-submission of Strategic Performance Objectives to the Committee will make the Participant ineligible for an Award.

9.5 Calculation of Awards: Following the conclusion of the Plan Year, assuming the Discretionary Company Thresholds are satisfied, Awards are calculated as follows:

(a) Preliminary Award: Actual financial performance is compared to the Financial Performance Targets, and an Adjustment Factor is then determined as follows:

Achievement Against Financial Performance Target	**Adjustment Factor**
<= 70%	0%
100%	100%
>=130%	200%

* *The Adjustment Factor for financial performance achievement between 70% and 130% of the financial performance target will be linearly interpolated. For example, achievement of 124.3% of the Financial Performance Target will result in an Adjustment Factor of 181.00%.*

The Adjustment Factor is then multiplied by the dollar amount of the full Target Award. This product is the "Preliminary Award."

(b) Financial Performance Portion: The Preliminary Award is then multiplied by the weighting of the Financial Performance Portion for the Participant. This product becomes part of the Award for the Participant.

(c) Strategic Performance Portion: *First*, the Preliminary Award is multiplied by the weighting of the Strategic Performance Portion for the Participant to determine a base amount attributable to Strategic Performance Objectives (the "Strategic Base Amount"). *Second*, following the end of the Plan Year, the Chief Executive Officer (or where the Participant is the Chief Executive Officer, the Committee) will score that Participant based on that Participant's performance against his or her Strategic Performance Objectives, considered individually (and if so, by taking into account their relative weightings) or by giving a single score for all Strategic Performance Objectives, as the Chief Executive Officer so determines. The Participant's performance against the Strategic Performance Objectives as so considered will be rated using a scorecard with a scale of 1 through 5 that has corresponding percentage grades[1], and will take into account recommendations

[1] The scorecard will be as follows:

* *A composite score of 4.2 (e.g., because four strategic objectives weighted at 20% each received a "4" but a fifth strategic objective also weighted at 20% received a "5") would be linearly interpolated to result in a 130.0% preliminary multiplier.*

from the Participant's direct manager (as applicable). The scorecard will also contain space for commentary regarding the Participant's performance if appropriate (*e.g*., describing special circumstances). The information on the scorecard, taken as a whole, is then used to determine a preliminary multiplier against the Strategic Base Amount, which preliminary multiplier will range from zero to a maximum of 150%. *Third,* once the preliminary multiplier is so determined, the Chief Executive Officer (or where the Participant is the Chief Executive Officer, the Committee) may (but is not required to) then further adjust such preliminary multiplier (but not to be less than zero or more than 150%) after taking into account, among other things, the Participant's performance and positioning relative to his or her peer group, seniority, experience, growth, development and accomplishments in respect of and outside the Strategic Performance Objectives (including, if relevant, in respect of other objectives that became important Company or Participant priorities during the year). The preliminary multiplier, as so further adjusted, then becomes the ultimate multiplier, and the product of this ultimate multiplier and the Strategic Base Amount becomes part of the Award for the Participant.

(d) Sum of Resultant Products; Subject to Overall Cap: The resultant parts in the ultimate sentences of Sections 9.5(b) and 9.5(c) are then added together to arrive at an Award for the Participant (but subject to the other terms contained in the Plan, including Section 9.5(e)), not to exceed the overall cap in Section 7 hereof.

(e) Role of CEO and the Committee. The final Award recommendation will be made by the Chief Executive Officer and approved by the Committee.

(f) Subject to Discretionary Company Thresholds. Notwithstanding the foregoing, if the Discretionary Company Thresholds in Section 5 are not met, no Award (or portion thereof) will be earned or paid under the Plan.

10. SUSPENSION, AMENDMENT OR TERMINATION OF THE PLAN

The Company reserves the right at any time prior to payment of the Awards to review, interpret, alter, suspend, amend, or terminate or discontinue (with or without notice) the Plan (including in

respect of a Plan Year already completed if prior to the Payment Date in respect of that Plan Year), including, without limitation, the calculation and method of and eligibility for Award payments, *provided*, *however*, that any alterations or amendments to the Plan require the approval of the Committee, *provided further*, *however*, that any alterations or deviations in respect of the process for determining the Strategic Performance Portion pursuant to Section 9.5(c) hereof do not require the approval of the Committee if such alterations or deviations are otherwise approved by the Chief Executive Officer. The Plan does not constitute a contract of employment (express or implied) and cannot be relied upon as such. The Plan does not alter the at-will employment relationship between the Company and the Participants.

11. ETHICS

The Committee shall have the right to withhold or decrease a Participant's Award on account of a Participant's violation(s) of the Standards of Business Conduct or other Company policies, including, without limitation, the failure to model and enforce the Company's high standards of ethical conduct or to demonstrate a commitment to a discrimination-, retaliation- and harassment-free workplace. Conversely, the Committee may increase incentive compensation (up to the total maximum Award permitted under the Plan) for a Participant who demonstrates extraordinary achievements in these critical areas for the Company.

EXHIBIT 31.1

Certification of Chief Executive Officer Pursuant to
Rule 13a-14(a) Under the Securities Exchange Act of 1934, as Amended

I, Robert E. Sulentic, certify that:

1) I have reviewed this quarterly report on Form 10-Q of CBRE Group, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 10, 2019

/s/ Robert E. Sulentic

Robert E. Sulentic
President and Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer Pursuant to
Rule 13a-14(a) Under the Securities Exchange Act of 1934, as Amended

I, James R. Groch, certify that:

1) I have reviewed this quarterly report on Form 10-Q of CBRE Group, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2019

/s/ James R. Groch

James R. Groch
Chief Financial Officer

EXHIBIT 32

Certifications of Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act Of 2002

The undersigned, Robert E. Sulentic, Chief Executive Officer, and James R. Groch, Chief Financial Officer of CBRE Group, Inc. (the “Company”), hereby certify as of the date hereof, solely for the purposes of 18 U.S.C. §1350, that:

(i) the Quarterly Report on Form 10-Q for the period ended March 31, 2019, of the Company (the “Report”) fully complies with the requirements of Section 13(a) and 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: May 10, 2019

/s/ Robert E. Sulentic
Robert E. Sulentic
President and Chief Executive Officer

/s/ James R. Groch
James R. Groch
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.