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 September 30, 2017

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 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)**

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 October 31, 2017 was 339,459,138.

FORM 10-Q

September 30, 2017

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 955,605	$ 762,576
Restricted cash	84,794	68,836
Receivables, less allowance for doubtful accounts of $47,596 and $39,469 at September 30, 2017 and December 31, 2016, respectively	2,843,126	2,605,602
Warehouse receivables	1,434,910	1,276,047
Income taxes receivable	66,386	45,626
Prepaid expenses	218,049	184,107
Other current assets	201,864	179,656
Total Current Assets	5,804,734	5,122,450
Property and equipment, net	574,266	560,756
Goodwill	3,135,208	2,981,392
Other intangible assets, net of accumulated amortization of $943,587 and $771,673 at September 30, 2017 and December 31, 2016, respectively	1,400,699	1,411,039
Investments in unconsolidated subsidiaries	233,634	232,238
Deferred tax assets, net	94,250	105,324
Other assets, net	409,223	366,388
Total Assets	$ 11,652,014	$ 10,779,587
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 1,505,860	$ 1,446,438
Compensation and employee benefits payable	763,554	772,922
Accrued bonus and profit sharing	727,066	890,321
Income taxes payable	82,106	58,351
Short-term borrowings:		
Warehouse lines of credit (which fund loans that U.S. Government Sponsored Enterprises have committed to purchase)	1,416,253	1,254,653
Other	16	16
Total short-term borrowings	1,416,269	1,254,669
Current maturities of long-term debt	10	11
Other current liabilities	56,512	102,717
Total Current Liabilities	4,551,377	4,525,429
Long-term debt, net of current maturities	2,551,568	2,548,126
Deferred tax liabilities, net	125,782	70,719
Non-current tax liabilities	17,851	54,042
Other liabilities	553,600	524,026
Total Liabilities	7,800,178	7,722,342
Commitments and contingencies	—	—
Equity:		
CBRE Group, Inc. Stockholders' Equity:		
Class A common stock; $0.01 par value; 525,000,000 shares authorized; 339,459,138 and 337,279,449 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	3,395	3,373
Additional paid-in capital	1,192,855	1,145,226
Accumulated earnings	3,179,985	2,656,906
Accumulated other comprehensive loss	(580,765)	(791,018)
Total CBRE Group, Inc. Stockholders' Equity	3,795,470	3,014,487
Non-controlling interests	56,366	42,758
Total Equity	3,851,836	3,057,245
Total Liabilities and Equity	$ 11,652,014	$ 10,779,587

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Revenue	$ 3,549,977	$ 3,193,487	$ 9,873,396	$ 9,247,758
Costs and expenses:				
Cost of services	2,513,377	2,252,783	6,919,018	6,520,629
Operating, administrative and other	704,898	686,530	2,023,503	2,010,338
Depreciation and amortization	102,591	92,725	297,014	269,987
Total costs and expenses	3,320,866	3,032,038	9,239,535	8,800,954
Gain on disposition of real estate	6,180	11,043	18,863	15,862
Operating income	235,291	172,492	652,724	462,666
Equity income from unconsolidated subsidiaries	67,834	24,672	158,236	116,902
Other income	1,768	1,356	9,069	8,453
Interest income	3,129	1,020	6,967	5,545
Interest expense	34,483	37,273	103,923	109,050
Income before provision for income taxes	273,539	162,267	723,073	484,516
Provision for income taxes	76,178	51,414	195,813	165,578
Net income	197,361	110,853	527,260	318,938
Less: Net income attributable to non-controlling interests	1,044	6,690	4,181	10,940
Net income attributable to CBRE Group, Inc.	$ 196,317	$ 104,163	$ 523,079	$ 307,998
Basic income per share:				
Net income per share attributable to CBRE Group, Inc.	$ 0.58	$ 0.31	$ 1.55	$ 0.92
Weighted average shares outstanding for basic income per share	337,948,324	335,770,122	337,280,914	334,949,606
Diluted income per share:				
Net income per share attributable to CBRE Group, Inc.	$ 0.58	$ 0.31	$ 1.54	$ 0.91
Weighted average shares outstanding for diluted income per share	341,186,431	338,488,975	340,502,432	338,053,297

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 September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Net income	$ 197,361	$ 110,853	$ 527,260	$ 318,938
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	64,711	(15,940)	204,147	(101,654)
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	1,260	1,720	4,148	5,196
Unrealized gains (losses) on interest rate swaps, net of tax	25	788	102	(3,327)
Unrealized holding gains on available for sale securities, net of tax	339	348	2,239	993
Other, net	(4)	2	(20)	(757)
Total other comprehensive income (loss)	66,331	(13,082)	210,616	(99,549)
Comprehensive income	263,692	97,771	737,876	219,389
Less: Comprehensive income attributable to non-controlling interests	1,227	6,768	4,544	11,057
Comprehensive income attributable to CBRE Group, Inc.	$ 262,465	$ 91,003	$ 733,332	$ 208,332

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

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

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 527,260	$ 318,938
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	297,014	269,987
Amortization of financing costs	7,371	8,302
Gains related to mortgage servicing rights, premiums on loan sales and sales of other assets	(131,062)	(134,775)
Net realized and unrealized gains from investments	(9,069)	(8,453)
Gain on disposition of real estate held for investment	—	(9,901)
Equity income from unconsolidated subsidiaries	(158,236)	(116,902)
Provision for doubtful accounts	7,442	6,805
Compensation expense for equity awards	68,975	43,346
Proceeds from sale of mortgage loans	11,316,041	10,075,850
Origination of mortgage loans	(11,441,884)	(9,917,310)
Increase (decrease) in warehouse lines of credit	161,600	(131,690)
Distribution of earnings from unconsolidated subsidiaries	17,612	19,982
Tenant concessions received	14,739	7,667
Purchase of trading securities	(61,813)	(76,136)
Proceeds from sale of trading securities	53,251	84,234
(Increase) decrease in receivables	(90,526)	46,289
Increase in prepaid expenses and other assets	(82,673)	(101,916)
Decrease in real estate held for sale and under development	10,784	2,870
Decrease in accounts payable and accrued expenses	(4,876)	(125,471)
Decrease in compensation and employee benefits payable and accrued bonus and profit sharing	(224,798)	(210,670)
Increase in income taxes receivable/payable	(10,631)	(66,589)
Increase in other liabilities	1,162	8,807
Other operating activities, net	(20,415)	(46,453)
Net cash provided by (used in) operating activities	247,268	(53,189)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(101,606)	(134,357)
Acquisition of businesses (other than Global Workplace Solutions (GWS)), including net assets acquired, intangibles and goodwill, net of cash acquired	(59,394)	(22,066)
Acquisition of GWS, including net assets acquired, intangibles and goodwill	—	(10,477)
Contributions to unconsolidated subsidiaries	(36,659)	(57,295)
Distributions from unconsolidated subsidiaries	177,506	119,539
Net proceeds from disposition of real estate held for investment	—	44,326
Increase in restricted cash	(11,020)	(1,623)
Purchase of available for sale securities	(29,408)	(31,413)
Proceeds from the sale of available for sale securities	25,618	29,560
Other investing activities, net	1,156	24,185
Net cash used in investing activities	(33,807)	(39,621)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of senior term loans	—	(23,125)
Proceeds from revolving credit facility	911,000	2,195,000
Repayment of revolving credit facility	(911,000)	(2,112,000)
Proceeds from notes payable on real estate held for investment	79	7,274
Repayment of notes payable on real estate held for investment	(1,324)	(33,516)
Proceeds from notes payable on real estate held for sale and under development	3,341	15,110
Repayment of notes payable on real estate held for sale and under development	(10,777)	(4,102)
Units repurchased for payment of taxes on equity awards	(29,549)	(27,796)
Non-controlling interest contributions	3,410	1,478
Non-controlling interest distributions	(6,643)	(12,800)
Payment of financing costs	(21)	(5,601)
Other financing activities, net	(2,673)	(761)
Net cash used in financing activities	(44,157)	(839)
Effect of currency exchange rate changes on cash and cash equivalents	23,725	(408)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	193,029	(94,057)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF PERIOD	762,576	540,403
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	$ 955,605	$ 446,346
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 111,826	$ 118,272
Income taxes, net	$ 204,228	$ 225,129

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

CBRE GROUP, INC.
CONSOLIDATED STATEMENT 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, 2016	$ 3,373	$ 1,145,226	$ 2,656,906	$ (791,018)	$ 42,758	$ 3,057,245
Net income	—	—	523,079	—	4,181	527,260
Non-cash issuance of common stock related to acquisition	5	7,586	—	—	—	7,591
Compensation expense for equity awards	—	68,975	—	—	—	68,975
Units repurchased for payment of taxes on equity awards	—	(29,549)	—	—	—	(29,549)
Foreign currency translation gain	—	—	—	203,784	363	204,147
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	—	—	—	4,148	—	4,148
Unrealized gains on interest rate swaps, net of tax	—	—	—	102	—	102
Unrealized holding gains on available for sale securities, net of tax	—	—	—	2,239	—	2,239
Contributions from non-controlling interests	—	—	—	—	3,410	3,410
Distributions to non-controlling interests	—	—	—	—	(6,643)	(6,643)
Acquisition of non-controlling interests	—	—	—	—	12,671	12,671
Other	17	617	—	(20)	(374)	240
Balance at September 30, 2017	$ 3,395	$ 1,192,855	$ 3,179,985	$ (580,765)	$ 56,366	$ 3,851,836

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, 2016, which are included in our 2016 Annual Report on Form 10-K (2016 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 2016 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, 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 2016 financial statements to conform with the 2017 presentation.

The results of operations for the three and nine months ended September 30, 2017 are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2017.

2. New Accounting Pronouncements

Recent Accounting Pronouncements Pending Adoption

The Financial Accounting Standards Board (FASB) has recently issued five Accounting Standards Updates (ASUs) related to revenue recognition ("new revenue recognition guidance"), all of which will become effective for the company on January 1, 2018. The ASUs issued are: (1) in May 2014, ASU 2014-09, *"Revenue from Contracts with Customers (Topic 606);"* (2) in March 2016, ASU 2016-08, *"Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net);"* (3) in April 2016, ASU 2016-10, *"Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing;"* (4) in May 2016, ASU 2016-12, *"Revenue from Contracts with Customers (Topic 606): Narrow-scope Improvements and Practical Expedients;"* and (5) in December 2016, ASU 2016-20, *"Technical Corrections and Improvements to Topic 606, Revenue From Contracts with Customers."* ASU 2014-09 requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers and will replace most existing revenue recognition guidance under GAAP. This ASU permits the use of either the retrospective or cumulative effect transition method. ASU 2016-08 clarifies the implementation guidance on principal versus agent considerations. ASU 2016-10 clarifies guidance related to identifying performance obligations and licensing implementation guidance contained in ASU 2014-09. ASU 2016-12 clarifies guidance in certain narrow areas and adds some practical expedients. ASU 2016-20 also clarifies guidance in certain narrow areas and adds optional exemptions to certain disclosure requirements.

We plan to adopt the new revenue recognition guidance in the first quarter of 2018 using the retrospective transition method. We continue to evaluate the impact that adoption of these updates will have on our consolidated financial statements and related disclosures. Based on our assessment, the impact of the application of the new revenue recognition guidance will result in an acceleration of some revenues that are based, in part, on future contingent events. For example, some brokerage revenues from leasing commissions in various countries where we operate will get recognized earlier. Under current GAAP, a portion of these commissions are deferred until a future contingency is resolved (e.g., tenant move-in or payment of first month's rent). Under the new revenue guidance, the company's performance obligation will be typically satisfied at lease signing and therefore the portion of the commission that is contingent on a future event will likely be recognized earlier if deemed not subject to significant reversal. We have evaluated the impact of the updated principal versus agent guidance on our consolidated financial statements in relation to third-party costs which are billed to clients in association with facilities management and project management services. We determined a significant amount of additional contracts will be accounted for on a gross basis, resulting in a significant gross up of third-party costs as compared to our current presentation, with no impact on profitability. This is driven by a change in the indicators used to assess if we control these third-party service providers.

In January 2016, the FASB issued ASU 2016-01, *"Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities."* This ASU will significantly change the income statement impact of equity investments and the recognition of changes in fair value of financial liabilities when the fair value option is elected. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. Early adoption is not permitted, except for the provisions related to the recognition of changes in fair value of financial liabilities when the fair value option is elected. We do not believe the adoption of ASU 2016-01 will have a material impact on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, *"Leases (Topic 842)."* This ASU 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 current lease accounting literature, but without relying upon the bright-line tests. This ASU is effective for annual periods in fiscal years beginning after December 15, 2018 and mandates a modified retrospective transition method for all entities. We plan to adopt ASU 2016-02 in the first quarter of 2019 and are currently evaluating the magnitude of its impact on our consolidated financial statements by reviewing our existing lease contracts and service contracts that may include embedded leases.

In June 2016, the FASB issued ASU 2016-13, *"Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments."* This ASU 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. 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 2016-13 will have on our consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-15, *"Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments."* This ASU addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. This ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, with early adoption permitted. At this point in time, we do not believe the adoption of ASU 2016-15 will have a material impact on our consolidated financial statements and related disclosures.

In October 2016, the FASB issued ASU 2016-16, *"Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory."* This ASU requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, with early adoption permitted. At this point in time, we do not believe the adoption of ASU 2016-16 will have a material impact on our consolidated financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, *"Statement of Cash Flows (Topic 230): Restricted Cash."* This ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those years, with early adoption permitted. At this point in time, we do not believe the adoption of ASU 2016-18 will have a material impact on our consolidated financial statements and related disclosures.

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 are evaluating the effect that ASU 2017-04 will have on our goodwill assessment process, but do not believe the adoption of ASU 2017-04 will have a material impact on our consolidated financial statements and related disclosures.

In February 2017, the FASB issued ASU 2017-05, *"Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets."* This ASU clarifies that a financial asset is within the scope of Subtopic 610-20 if it meets the definition of an in substance nonfinancial asset and also defines the term in substance nonfinancial asset. This ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. At this point in time, we do not believe the adoption of ASU 2017-05 will have a material 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 are evaluating the effect that ASU 2017-08 will have on our consolidated financial statements and related disclosures.

In August 2017, the FASB issued ASU 2017-12, *"Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities."* This ASU refines and expands hedge accounting for both financial and commodity risks. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within those years, with early adoption permitted. We are evaluating the effect that ASU 2017-12 will have on our consolidated financial statements and related disclosures.

3. 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. Loans funded from the warehouse lines of credit are generallyrepaid within a one-month period, on average, 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. Such loans are funded at the prevailing market rates. The warehouse lines of credit are recourse only to CBRE Capital Markets and are secured by our related warehouse receivables. We elect the fair value option for all warehouse receivables. At September 30, 2017 and December 31, 2016, 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 January 1, 2017	$	1,276,047
Origination of mortgage loans		11,441,884
Gains (premiums on loan sales)		32,711
Sale of mortgage loans		(11,283,330)
Cash collections of premiums on loan sales		(32,711)
Proceeds from sale of mortgage loans		(11,316,041)
Net increase in mortgage servicing rights included in warehouse receivables		309
Ending balance at September 30, 2017	$	1,434,910

The following table is a summary of our warehouse lines of credit in place as of September 30, 2017 and December 31, 2016 (dollars in thousands):

			September 30, 2017		December 31, 2016	
Lender	Current Maturity	Pricing	Maximum Facility Size	Carrying Value	Maximum Facility Size	Carrying Value
JP Morgan Chase Bank, N.A. (JP Morgan) (1)	2/28/2017	daily one-month LIBOR plus 1.45%	$ —	$ —	$ 300,000	$ 275,945
JP Morgan (2)	10/23/2017	daily one-month LIBOR plus 1.45%	800,000	704,908	700,000	—
JP Morgan (2)	10/23/2017	daily one-month LIBOR plus 2.75%	25,000	1,487	25,000	3,768
Bank of America (BofA) (1)	1/30/2017	daily one-month LIBOR plus 1.60%	—	—	300,000	300,000
BofA	6/5/2018	daily one-month LIBOR plus 1.40%	225,000	155,744	200,000	18,555
Fannie Mae Multifamily As Soon As Pooled Plus Agreement and Multifamily As Soon As Pooled Sale Agreement (ASAP) Program (1)	1/17/2017	daily one-month LIBOR plus 1.35%, with a LIBOR floor of 0.35%	—	—	200,000	200,000
Fannie Mae ASAP Program	Cancelable anytime	daily one-month LIBOR plus 1.35%, with a LIBOR floor of 0.35%	450,000	94,250	450,000	111,160
TD Bank, N.A. (TD Bank) (1)	2/28/2017	daily one-month LIBOR plus 1.35%	—	—	375,000	154,032
TD Bank	6/30/2018	daily one-month LIBOR plus 1.25%	400,000	366,600	400,000	—
Capital One, N.A. (Capital One) (1)	1/23/2017	daily one-month LIBOR plus 1.45%	—	—	250,000	191,193
Capital One	7/27/2018	daily one-month LIBOR plus 1.40%	200,000	93,264	200,000	—
			$ 2,100,000	$ 1,416,253	$ 3,400,000	$ 1,254,653

(1) Temporary facility to accommodate year-end volume.
(2) On October 23, 2017, this agreement was amended to extend the maturity date to October 22, 2018.

During the nine months ended September 30, 2017, we had a maximum of $1.4 billion of warehouse lines of credit principal outstanding.

4. Variable Interest Entities (VIEs)

We hold variable interests in certain VIEs in our Global Investment Management and Development Services segments 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 September 30, 2017 and December 31, 2016, our maximum exposure to loss related to the VIEs which are not consolidated was as follows (dollars in thousands):

	September 30, 2017	December 31, 2016
Investments in unconsolidated subsidiaries	$ 32,003	$ 31,041
Co-investment commitments	4,425	168
Other current assets	3,301	3,314
Maximum exposure to loss	$ 39,729	$ 34,523

5. Fair Value Measurements

The *"Fair Value Measurements and Disclosures"* topic (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 and nine months ended September 30, 2017 and 2016. 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 2016 Annual Report.

The following tables present the fair value of assets and liabilities measured at fair value on a recurring basis as of September 30, 2017 and December 31, 2016 (dollars in thousands):

	As of September 30, 2017			
	Fair Value Measured and Recorded Using			
	Level 1	Level 2	Level 3	Total
Assets				
Available for sale securities:				
Debt securities:				
U.S. treasury securities	$ 2,349	$ —	$ —	$ 2,349
Debt securities issued by U.S. federal agencies	—	5,169	—	5,169
Corporate debt securities	—	22,134	—	22,134
Asset-backed securities	—	3,600	—	3,600
Collateralized mortgage obligations	—	2,684	—	2,684
Total debt securities	2,349	33,587	—	35,936
Equity securities	27,693	—	—	27,693
Total available for sale securities	30,042	33,587	—	63,629
Trading securities	68,744	—	—	68,744
Warehouse receivables	—	1,434,910	—	1,434,910
Total assets at fair value	$ 98,786	$ 1,468,497	$ —	$ 1,567,283
Liabilities				
Interest rate swaps	$ —	$ 6,601	$ —	$ 6,601
Securities sold, not yet purchased	2,246	—	—	2,246
Foreign currency exchange forward contracts	—	75	—	75
Total liabilities at fair value	$ 2,246	$ 6,676	$ —	$ 8,922

	As of December 31, 2016			
	Fair Value Measured and Recorded Using			
	Level 1	Level 2	Level 3	Total
Assets				
Available for sale securities:				
Debt securities:				
U.S. treasury securities	$ 8,485	$ —	$ —	$ 8,485
Debt securities issued by U.S. federal agencies	—	5,046	—	5,046
Corporate debt securities	—	17,094	—	17,094
Asset-backed securities	—	2,695	—	2,695
Collateralized mortgage obligations	—	1,010	—	1,010
Total debt securities	8,485	25,845	—	34,330
Equity securities	22,744	—	—	22,744
Total available for sale securities	31,229	25,845	—	57,074
Trading securities	52,629	—	—	52,629
Warehouse receivables	—	1,276,047	—	1,276,047
Foreign currency exchange forward contracts	—	1,471	—	1,471
Total assets at fair value	$ 83,858	$ 1,303,363	$ —	$ 1,387,221
Liabilities				
Interest rate swaps	$ —	$ 13,162	$ —	$ 13,162
Securities sold, not yet purchased	3,591	—	—	3,591
Total liabilities at fair value	$ 3,591	$ 13,162	$ —	$ 16,753

There were no significant non-recurring fair value measurements recorded during the three and nine months ended September 30, 2017 and 2016.

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 based on market prices at the balance sheet date.
- *Trading* and *Available for Sale Securities* – These investments are carried at their fair value.
- *Foreign Currency Exchange Forward Contracts* – These assets and 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.
- *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. Due to the short-term nature and variable interest rates of these instruments, fair value approximates carrying value (see Notes 3 and 7).
- *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 $750.8 million at September 30, 2017 and $751.4 million at December 31, 2016. Their actual carrying value, net of unamortized debt issuance costs, totaled $746.0 million and $744.3 million at September 30, 2017 and December 31, 2016, respectively (see Note 7).
- *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 5.00% senior notes, 4.875% senior notes and 5.25% senior notes were $829.1 million, $646.6 million and $463.4 million, respectively, at September 30, 2017 and $827.6 million, $607.0 million and $439.3 million, respectively, at December 31, 2016. The actual carrying value of our 5.00% senior notes, 4.875% senior notes and 5.25% senior notes, net of unamortized debt issuance costs, totaled $791.4 million, $591.8 million and $422.4 million, respectively, at September 30, 2017 and $790.4 million, $591.2 million and $422.2 million, respectively, at December 31, 2016.

6. 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 5.0% in our Global Investment Management segment, up to 10.0% in our Development Services segment, and up to 50.0% in our other business segments.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Global Investment Management				
Revenue	$ 308,221	$ 418,028	$ 813,279	$ 902,932
Operating (loss) income	$ (59,677)	$ 93,491	$ 32,211	$ 155,869
Net income	$ 36,937	$ 52,477	$ 101,334	$ 118,348
Development Services				
Revenue	$ 29,273	$ 26,179	$ 78,276	$ 57,255
Operating income	$ 152,102	$ 26,027	$ 329,959	$ 184,136
Net income	$ 141,489	$ 19,745	$ 307,641	$ 169,837
Other				
Revenue	$ 46,648	$ 40,292	$ 116,651	$ 106,807
Operating income	$ 6,504	$ 6,130	$ 17,483	$ 20,418
Net income	$ 7,868	$ 6,135	$ 21,526	$ 20,506
Total				
Revenue	$ 384,142	$ 484,499	$ 1,008,206	$ 1,066,994
Operating income	$ 98,929	$ 125,648	$ 379,653	$ 360,423
Net income	$ 186,294	$ 78,357	$ 430,501	$ 308,691

7. Long-Term Debt and Short-Term Borrowings

Long-Term Debt

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

	September 30, 2017	December 31, 2016
Senior term loans, with interest ranging from 1.77% to 2.84%, due quarterly through 2022	$ 751,876	$ 751,875
5.00% senior notes due in 2023	800,000	800,000
4.875% senior notes due in 2026, net of unamortized discount	596,181	595,912
5.25% senior notes due in 2025, net of unamortized premium	426,363	426,500
Other	10	14
Total long-term debt	2,574,430	2,574,301
Less: current maturities of long-term debt	(10)	(11)
Less: unamortized debt issuance costs	(22,852)	(26,164)
Total long-term debt, net of current maturities	$ 2,551,568	$ 2,548,126

On January 9, 2015, CBRE Services, Inc. (CBRE Services), our wholly-owned subsidiary, entered into an amended and restated credit agreement (2015 Credit Agreement) with a syndicate of banks jointly led by Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC and Credit Suisse AG (CS). On March 21, 2016, CBRE Services executed an amendment to the 2015 Credit Agreement that, among other things, extended the maturity on the revolving credit facility to March 2021 and increased the borrowing capacity under the revolving credit facility by $200.0 million.

Our 2015 Credit Agreement is an unsecured credit facility that is jointly and severally guaranteed by us and substantially all of our material domestic subsidiaries. As of September 30, 2017, the 2015 Credit Agreement provided for the following: (1) a $2.8 billion revolving credit facility, which includes the capacity to obtain letters of credit and swingline loans and matures on March 21, 2021; (2) a $500.0 million tranche A term loan facility requiring quarterly principal payments, which began on June 30, 2015 and continue through maturity on January 9, 2020; (3) a $270.0 million tranche B-1 term loan facility requiring quarterly principal payments, which began on December 31, 2015 and continue through maturity on September 3, 2020; and (4) a $130.0 million tranche B-2 term loan facility requiring quarterly principal payments, which began on December 31, 2015 and continue through maturity on September 3, 2022.

Our 2015 Credit Agreement contains restrictive covenants that, among other things, limit our ability to incur additional indebtedness, pay dividends or make distributions to stockholders, repurchase capital stock or debt, make investments, sell assets or subsidiary stock, create or permit liens on assets, engage in transactions with affiliates, enter into sale/leaseback transactions, issue subsidiary equity and enter into consolidations or mergers. Our 2015 Credit Agreement also requires us to maintain a minimum coverage ratio of EBITDA (as defined in the 2015 Credit Agreement) to total interest expense of 2.00x and a maximum leverage ratio of total debt less available cash to EBITDA (as defined in the 2015 Credit Agreement) of 4.25x as of the end of each fiscal quarter. On this basis, our coverage ratio of EBITDA to total interest expense was 14.29x for the trailing twelve months ended September 30, 2017, and our leverage ratio of total debt less available cash to EBITDA was 0.97x as of September 30, 2017.

The indentures governing our 5.00% senior notes, 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, entering into sale/leaseback transactions and entering into consolidations or mergers.

Short-Term Borrowings

Revolving Credit Facility

As of September 30, 2017, letters of credit totaling $2.0 million were outstanding under our revolving credit facility under our 2015 Credit Agreement. These letters of credit, which reduce the amount we may borrow under our revolving credit facility, were primarily issued in the ordinary course of business. As of September 30, 2017 and December 31, 2016, no amounts were outstanding under our revolving credit facility other than these letters of credit totaling $2.0 million.

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 3 for additional information.

8. 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 therefor 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 in selected cases, 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 $18.5 billion at September 30, 2017. 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 September 30, 2017 and December 31, 2016, CBRE MCI had a $53.0 million and a $45.0 million, respectively, letter of credit under this reserve arrangement, and had provided approximately $31.1 million and $28.2 million, respectively, of loan loss accruals. Fannie Mae's recourse under the DUS Program is limited to the assets of CBRE MCI, which assets totaled approximately $668.4 million (including $431.3 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 September 30, 2017.

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 September 30, 2017, CBRE Capital Markets had posted a $5.0 million letter of credit under this reserve arrangement.

We had outstanding letters of credit totaling $64.5 million as of September 30, 2017, 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. CBRE Capital Markets letters of credit totaling $58.0 million as of September 30, 2017 referred to in the preceding paragraphs represented the majority of the $64.5 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 September 2018.

We had guarantees totaling $62.3 million as of September 30, 2017, 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 September 30, 2017, 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 Development Services 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 Global Investment Management 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 September 30, 2017, we had aggregate commitments of $33.5 million to fund future co-investments.

Additionally, an important part of our Development Services business strategy is to invest in unconsolidated real estate subsidiaries as a principal (in most cases co-investing with our clients). As of September 30, 2017, we had committed to fund $20.4 million of additional capital to these unconsolidated subsidiaries.

9. Income Per Share Information

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 September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Basic Income Per Share				
Net income attributable to CBRE Group, Inc. shareholders	$ 196,317	$ 104,163	$ 523,079	$ 307,998
Weighted average shares outstanding for basic income per share	337,948,324	335,770,122	337,280,914	334,949,606
Basic income per share attributable to CBRE Group, Inc. shareholders	$ 0.58	$ 0.31	$ 1.55	$ 0.92
Diluted Income Per Share				
Net income attributable to CBRE Group, Inc. shareholders	$ 196,317	$ 104,163	$ 523,079	$ 307,998
Weighted average shares outstanding for basic income per share	337,948,324	335,770,122	337,280,914	334,949,606
Dilutive effect of contingently issuable shares	3,236,525	2,707,401	3,217,594	3,070,134
Dilutive effect of stock options	1,582	11,452	3,924	33,557
Weighted average shares outstanding for diluted income per share	341,186,431	338,488,975	340,502,432	338,053,297
Diluted income per share attributable to CBRE Group, Inc. shareholders	$ 0.58	$ 0.31	$ 1.54	$ 0.91

For the three and nine months ended September 30, 2017, 384,775 and 1,141,522, 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.

For the three and nine months ended September 30, 2016, 1,972,360 and 1,704,848, 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.

10. Segments

We report our operations through the following segments: (1) Americas; (2) Europe, Middle East and Africa (EMEA); (3) Asia Pacific; (4) Global Investment Management; and (5) Development Services.

The Americas segment is our largest segment of operations and provides a comprehensive range of services throughout the U.S. and in the largest regions of Canada and key markets in Latin America. The primary services offered consist of the following: property sales, property leasing, mortgage services, appraisal and valuation, property management and occupier outsourcing services.

Our EMEA and Asia Pacific segments generally provide services similar to the Americas business segment. The EMEA segment has operations primarily in Europe, while the Asia Pacific segment has operations in Asia, Australia and New Zealand.

Our Global Investment Management business provides investment management services to clients seeking to generate returns and diversification through direct and indirect investments in real estate in North America, Europe and Asia Pacific.

Our Development Services business consists of real estate development and investment activities primarily in the U.S.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016 (1)	2017	2016 (1)
Revenue				
Americas	$ 1,969,430	$ 1,775,326	$ 5,518,963	$ 5,143,590
EMEA	1,033,042	948,053	2,831,964	2,742,318
Asia Pacific	440,933	361,802	1,202,706	1,032,763
Global Investment Management	92,122	91,807	274,451	277,924
Development Services	14,450	16,499	45,312	51,163
Total revenue	$ 3,549,977	$ 3,193,487	$ 9,873,396	$ 9,247,758
Adjusted EBITDA				
Americas	$ 238,259	$ 222,043	$ 689,068	$ 636,668
EMEA	71,169	61,177	173,610	148,842
Asia Pacific	43,081	31,467	106,562	72,570
Global Investment Management	23,202	18,988	72,971	68,329
Development Services	35,863	15,709	85,120	66,109
Total Adjusted EBITDA	$ 411,574	$ 349,384	$ 1,127,331	$ 992,518

(1) In 2017, we changed the presentation of the operating results of one of our emerging businesses among our regional services reporting segments. Prior year amounts have been reclassified to conform with the current-year presentation. This change had no impact on our consolidated results.

Adjusted EBITDA is the measure reported to the chief operating decision maker for purposes of making decisions about allocating resources to each segment and assessing performance of each segment. EBITDA represents earnings before net interest expense, income taxes, depreciation and amortization. Amounts shown for adjusted EBITDA further remove (from EBITDA) the impact of certain cash and non-cash charges related to acquisitions, cost-elimination expenses and certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016 (1)**	**2017**	**2016 (1)**
Net income attributable to CBRE Group, Inc.	$ 196,317	$ 104,163	$ 523,079	$ 307,998
Add:				
Depreciation and amortization	102,591	92,725	297,014	269,987
Interest expense	34,483	37,273	103,923	109,050
Provision for income taxes	76,178	51,414	195,813	165,578
Less:				
Interest income	3,129	1,020	6,967	5,545
EBITDA	406,440	284,555	1,112,862	847,068
Adjustments:				
Cost-elimination expenses (2)	—	38,877	—	78,456
Integration and other costs related to acquisitions	—	28,596	27,351	73,520
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	5,134	(2,644)	(12,882)	(6,526)
Adjusted EBITDA	$ 411,574	$ 349,384	$ 1,127,331	$ 992,518

(1) In 2017, we changed the presentation of the operating results of one of our emerging businesses among our regional services reporting segments. Prior year amounts have been reclassified to conform with the current-year presentation. This change had no impact on our consolidated results.

(2) Represents cost-elimination expenses relating to a program initiated in the fourth quarter of 2015 and completed in the third quarter of 2016 (our cost-elimination project) to reduce the company's global cost structure after several years of significant revenue and related cost growth. Cost-elimination expenses incurred during the three and nine months ended September 30, 2016 consisted of $36.7 million and $73.6 million, respectively, of severance costs related to headcount reductions in connection with the program and $2.2 million and $4.9 million, respectively, of third-party contract termination costs.

11. Guarantor and Nonguarantor Financial Statements

The following condensed consolidating financial information includes condensed consolidating balance sheets as of September 30, 2017 and December 31, 2016, condensed consolidating statements of operations and condensed consolidating statements of comprehensive income for the three and nine months ended September 30, 2017 and 2016 and condensed consolidating statements of cash flows for the nine months ended September 30, 2017 and 2016 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 SHEET
AS OF SEPTEMBER 30, 2017
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 7	$ 7,721	$ 446,123	$ 501,754	$ —	$ 955,605
Restricted cash	—	—	2,048	82,746	—	84,794
Receivables, net	—	—	1,069,509	1,773,617	—	2,843,126
Warehouse receivables (1)	—	—	1,002,000	432,910	—	1,434,910
Income taxes receivable	587	4,399	—	61,425	(25)	66,386
Prepaid expenses	—	—	77,336	140,713	—	218,049
Other current assets	—	—	60,622	141,242	—	201,864
Total Current Assets	594	12,120	2,657,638	3,134,407	(25)	5,804,734
Property and equipment, net	—	—	400,273	173,993	—	574,266
Goodwill	—	—	1,684,808	1,450,400	—	3,135,208
Other intangible assets, net	—	—	753,706	646,993	—	1,400,699
Investments in unconsolidated subsidiaries	—	—	188,353	45,281	—	233,634
Investments in consolidated subsidiaries	5,143,175	4,988,534	2,807,898	—	(12,939,607)	—
Intercompany loan receivable	—	2,690,873	700,000	—	(3,390,873)	—
Deferred tax assets, net	—	—	30,673	94,250	(30,673)	94,250
Other assets, net	—	18,306	275,452	115,465	—	409,223
Total Assets	$ 5,143,769	$ 7,709,833	$ 9,498,801	$ 5,660,789	$ (16,361,178)	$ 11,652,014
LIABILITIES AND EQUITY						
Current Liabilities:						
Accounts payable and accrued expenses	$ —	$ 7,788	$ 482,449	$ 1,015,623	$ —	$ 1,505,860
Compensation and employee benefits payable	—	626	412,761	350,167	—	763,554
Accrued bonus and profit sharing	—	—	413,826	313,240	—	727,066
Income taxes payable	—	—	34,581	47,550	(25)	82,106
Short-term borrowings:					—	
Warehouse lines of credit (which fund loans that U.S. Government Sponsored Enterprises have committed to purchase) (1)	—	—	999,172	417,081	—	1,416,253
Other	—	—	16	—	—	16
Total short-term borrowings	—	—	999,188	417,081	—	1,416,269
Current maturities of long-term debt	—	—	—	10	—	10
Other current liabilities	—	84	40,500	15,928	—	56,512
Total Current Liabilities	—	8,498	2,383,305	2,159,599	(25)	4,551,377
Long-Term Debt, net:						
Long-term debt, net	—	2,551,568	—	—	—	2,551,568
Intercompany loan payable	1,348,299	—	1,826,325	216,249	(3,390,873)	—
Total Long-Term Debt, net	1,348,299	2,551,568	1,826,325	216,249	(3,390,873)	2,551,568
Deferred tax liabilities, net	—	—	—	156,455	(30,673)	125,782
Non-current tax liabilities	—	—	16,037	1,814	—	17,851
Other liabilities	—	6,592	284,600	262,408	—	553,600
Total Liabilities	1,348,299	2,566,658	4,510,267	2,796,525	(3,421,571)	7,800,178
Commitments and contingencies	—	—	—	—	—	—
Equity:						
CBRE Group, Inc. Stockholders' Equity	3,795,470	5,143,175	4,988,534	2,807,898	(12,939,607)	3,795,470
Non-controlling interests	—	—	—	56,366	—	56,366
Total Equity	3,795,470	5,143,175	4,988,534	2,864,264	(12,939,607)	3,851,836
Total Liabilities and Equity	$ 5,143,769	$ 7,709,833	$ 9,498,801	$ 5,660,789	$ (16,361,178)	$ 11,652,014

(1) Although CBRE Capital Markets is included among our domestic subsidiaries that jointly and severally guarantee our 5.00% senior notes, 4.875% senior notes, 5.25% senior notes and our 2015 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.

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2016
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 7	$ 16,889	$ 264,121	$ 481,559	$ —	$ 762,576
Restricted cash	—	—	6,967	61,869	—	68,836
Receivables, net	—	—	943,028	1,662,574	—	2,605,602
Warehouse receivables (1)	—	—	687,454	588,593	—	1,276,047
Income taxes receivable	1,915	17,364	8,170	37,456	(19,279)	45,626
Prepaid expenses	—	—	78,296	105,811	—	184,107
Other current assets	—	1,421	64,576	113,659	—	179,656
Total Current Assets	1,922	35,674	2,052,612	3,051,521	(19,279)	5,122,450
Property and equipment, net	—	—	395,749	165,007	—	560,756
Goodwill	—	—	1,669,683	1,311,709	—	2,981,392
Other intangible assets, net	—	—	793,525	617,514	—	1,411,039
Investments in unconsolidated subsidiaries	—	—	189,455	42,783	—	232,238
Investments in consolidated subsidiaries	4,226,629	4,076,265	2,314,549	—	(10,617,443)	—
Intercompany loan receivable	—	2,684,421	700,000	—	(3,384,421)	—
Deferred tax assets, net	—	—	72,325	90,334	(57,335)	105,324
Other assets, net	—	22,229	240,707	103,452	—	366,388
Total Assets	$ 4,228,551	$ 6,818,589	$ 8,428,605	$ 5,382,320	$ (14,078,478)	$ 10,779,587
LIABILITIES AND EQUITY						
Current Liabilities:						
Accounts payable and accrued expenses	$ —	$ 30,049	$ 409,470	$ 1,006,919	$ —	$ 1,446,438
Compensation and employee benefits payable	—	626	402,719	369,577	—	772,922
Accrued bonus and profit sharing	—	—	506,715	383,606	—	890,321
Income taxes payable	—	—	40,946	36,684	(19,279)	58,351
Short-term borrowings:					—	
Warehouse lines of credit (which fund loans that U.S. Government Sponsored Enterprises have committed to purchase) (1)	—	—	680,473	574,180	—	1,254,653
Other	—	—	16	—	—	16
Total short-term borrowings	—	—	680,489	574,180	—	1,254,669
Current maturities of long-term debt	—	—	—	11	—	11
Other current liabilities	—	—	81,590	21,127	—	102,717
Total Current Liabilities	—	30,675	2,121,929	2,392,104	(19,279)	4,525,429
Long-Term Debt, net:						
Long-term debt, net	—	2,548,123	—	3	—	2,548,126
Intercompany loan payable	1,214,064	—	1,916,675	253,682	(3,384,421)	—
Total Long-Term Debt, net	1,214,064	2,548,123	1,916,675	253,685	(3,384,421)	2,548,126
Deferred tax liabilities, net	—	—	—	128,054	(57,335)	70,719
Non-current tax liabilities	—	—	53,422	620	—	54,042
Other liabilities	—	13,162	260,314	250,550	—	524,026
Total Liabilities	1,214,064	2,591,960	4,352,340	3,025,013	(3,461,035)	7,722,342
Commitments and contingencies	—	—	—	—	—	—
Equity:						
CBRE Group, Inc. Stockholders' Equity	3,014,487	4,226,629	4,076,265	2,314,549	(10,617,443)	3,014,487
Non-controlling interests	—	—	—	42,758	—	42,758
Total Equity	3,014,487	4,226,629	4,076,265	2,357,307	(10,617,443)	3,057,245
Total Liabilities and Equity	$ 4,228,551	$ 6,818,589	$ 8,428,605	$ 5,382,320	$ (14,078,478)	$ 10,779,587

(1) Although CBRE Capital Markets is included among our domestic subsidiaries that jointly and severally guarantee our 5.00% senior notes, 4.875% senior notes, 5.25% senior notes and our 2015 Credit Agreement, a substantial majority of warehouse receivables funded under BofA, Fannie Mae ASAP, JP Morgan, Capital One and TD Bank lines of credit are pledged to BofA, Fannie Mae, JP Morgan, Capital One and TD Bank.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Revenue	$ —	$ —	$ 1,774,112	$ 1,775,865	$ —	$ 3,549,977
Costs and expenses:						
Cost of services	—	—	1,256,664	1,256,713	—	2,513,377
Operating, administrative and other	770	756	374,966	328,406	—	704,898
Depreciation and amortization	—	—	60,610	41,981	—	102,591
Total costs and expenses	770	756	1,692,240	1,627,100	—	3,320,866
Gain on disposition of real estate	—	—	5,315	865	—	6,180
Operating (loss) income	(770)	(756)	87,187	149,630	—	235,291
Equity income from unconsolidated subsidiaries	—	—	65,439	2,395	—	67,834
Other income	—	—	455	1,313	—	1,768
Interest income	—	30,651	1,352	1,777	(30,651)	3,129
Interest expense	—	33,577	22,660	8,897	(30,651)	34,483
Royalty and management service (income) expense	—	—	(4,389)	4,389	—	—
Income from consolidated subsidiaries	196,791	199,062	99,222	—	(495,075)	—
Income before (benefit of) provision for income taxes	196,021	195,380	235,384	141,829	(495,075)	273,539
(Benefit of) provision for income taxes	(296)	(1,411)	36,322	41,563	—	76,178
Net income	196,317	196,791	199,062	100,266	(495,075)	197,361
Less: Net income attributable to non-controlling interests	—	—	—	1,044	—	1,044
Net income attributable to CBRE Group, Inc.	$ 196,317	$ 196,791	$ 199,062	$ 99,222	$ (495,075)	$ 196,317

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Revenue	$ —	$ —	$ 1,611,836	$ 1,581,651	$ —	$ 3,193,487
Costs and expenses:						
Cost of services	—	—	1,149,943	1,102,840	—	2,252,783
Operating, administrative and other	1,165	(158)	353,420	332,103	—	686,530
Depreciation and amortization	—	—	54,423	38,302	—	92,725
Total costs and expenses	1,165	(158)	1,557,786	1,473,245	—	3,032,038
Gain on disposition of real estate	—	—	—	11,043	—	11,043
Operating (loss) income	(1,165)	158	54,050	119,449	—	172,492
Equity income from unconsolidated subsidiaries	—	—	24,287	385	—	24,672
Other income	—	—	278	1,078	—	1,356
Interest income	—	33,550	592	428	(33,550)	1,020
Interest expense	—	34,809	24,921	11,093	(33,550)	37,273
Royalty and management service (income) expense	—	—	(2,972)	2,972	—	—
Income from consolidated subsidiaries	104,881	105,560	65,474	—	(275,915)	—
Income before (benefit of) provision for income taxes	103,716	104,459	122,732	107,275	(275,915)	162,267
(Benefit of) provision for income taxes	(447)	(422)	17,172	35,111	—	51,414
Net income	104,163	104,881	105,560	72,164	(275,915)	110,853
Less: Net income attributable to non-controlling interests	—	—	—	6,690	—	6,690
Net income attributable to CBRE Group, Inc.	$ 104,163	$ 104,881	$ 105,560	$ 65,474	$ (275,915)	$ 104,163

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Revenue	$ —	$ —	$ 5,046,641	$ 4,826,755	$ —	$ 9,873,396
Costs and expenses:						
Cost of services	—	—	3,504,306	3,414,712	—	6,919,018
Operating, administrative and other	1,532	1,643	1,078,709	941,619	—	2,023,503
Depreciation and amortization	—	—	176,035	120,979	—	297,014
Total costs and expenses	1,532	1,643	4,759,050	4,477,310	—	9,239,535
Gain on disposition of real estate	—	—	5,543	13,320	—	18,863
Operating (loss) income	(1,532)	(1,643)	293,134	362,765	—	652,724
Equity income from unconsolidated subsidiaries	—	—	154,769	3,467	—	158,236
Other income	—	1	1,481	7,587	—	9,069
Interest income	—	91,250	3,891	3,076	(91,250)	6,967
Interest expense	—	101,087	67,276	26,810	(91,250)	103,923
Royalty and management service (income) expense	—	—	(11,088)	11,088	—	—
Income from consolidated subsidiaries	524,024	531,104	227,120	—	(1,282,248)	—
Income before (benefit of) provision for income taxes	522,492	519,625	624,207	338,997	(1,282,248)	723,073
(Benefit of) provision for income taxes	(587)	(4,399)	93,103	107,696	—	195,813
Net income	523,079	524,024	531,104	231,301	(1,282,248)	527,260
Less: Net income attributable to non-controlling interests	—	—	—	4,181	—	4,181
Net income attributable to CBRE Group, Inc.	$ 523,079	$ 524,024	$ 531,104	$ 227,120	$ (1,282,248)	$ 523,079

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Revenue	$ —	$ —	$ 4,751,526	$ 4,496,232	$ —	$ 9,247,758
Costs and expenses:						
Cost of services	—	—	3,304,291	3,216,338	—	6,520,629
Operating, administrative and other	3,358	(1,584)	1,061,778	946,786	—	2,010,338
Depreciation and amortization	—	—	165,087	104,900	—	269,987
Total costs and expenses	3,358	(1,584)	4,531,156	4,268,024	—	8,800,954
Gain on disposition of real estate	—	—	3,659	12,203	—	15,862
Operating (loss) income	(3,358)	1,584	224,029	240,411	—	462,666
Equity income from unconsolidated subsidiaries	—	—	114,504	2,398	—	116,902
Other income (loss)	—	1	(203)	8,655	—	8,453
Interest income	—	99,119	2,163	3,382	(99,119)	5,545
Interest expense	—	103,425	74,331	30,413	(99,119)	109,050
Royalty and management service (income) expense	—	—	(26,740)	26,740	—	—
Income from consolidated subsidiaries	310,069	311,747	107,849	—	(729,665)	—
Income before (benefit of) provision for income taxes	306,711	309,026	400,751	197,693	(729,665)	484,516
(Benefit of) provision for income taxes	(1,287)	(1,043)	89,004	78,904	—	165,578
Net income	307,998	310,069	311,747	118,789	(729,665)	318,938
Less: Net income attributable to non-controlling interests	—	—	—	10,940	—	10,940
Net income attributable to CBRE Group, Inc.	$ 307,998	$ 310,069	$ 311,747	$ 107,849	$ (729,665)	$ 307,998

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	$ 196,317	$ 196,791	$ 199,062	$ 100,266	$ (495,075)	$ 197,361
Other comprehensive income:						
Foreign currency translation gain	—	—	—	64,711	—	64,711
Amounts reclassified from accumulated other comprehensive loss to interest expense, net	—	1,260	—	—	—	1,260
Unrealized gains on interest rate swaps, net	—	25	—	—	—	25
Unrealized holding gains on available for sale securities, net	—	—	331	8	—	339
Other, net	—	—	(4)	—	—	(4)
Total other comprehensive income	—	1,285	327	64,719	—	66,331
Comprehensive income	196,317	198,076	199,389	164,985	(495,075)	263,692
Less: Comprehensive income attributable to non-controlling interests	—	—	—	1,227	—	1,227
Comprehensive income attributable to CBRE Group, Inc.	$ 196,317	$ 198,076	$ 199,389	$ 163,758	$ (495,075)	$ 262,465

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	$ 104,163	$ 104,881	$ 105,560	$ 72,164	$ (275,915)	$ 110,853
Other comprehensive income (loss):						
Foreign currency translation loss	—	—	—	(15,940)	—	(15,940)
Amounts reclassified from accumulated other comprehensive loss to interest expense, net	—	1,720	—	—	—	1,720
Unrealized gains on interest rate swaps, net	—	788	—	—	—	788
Unrealized holding gains on available for sale securities, net	—	—	348	—	—	348
Other, net	—	—	—	2	—	2
Total other comprehensive income (loss)	—	2,508	348	(15,938)	—	(13,082)
Comprehensive income	104,163	107,389	105,908	56,226	(275,915)	97,771
Less: Comprehensive income attributable to non-controlling interests	—	—	—	6,768	—	6,768
Comprehensive income attributable to CBRE Group, Inc.	$ 104,163	$ 107,389	$ 105,908	$ 49,458	$ (275,915)	$ 91,003

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	$ 523,079	$ 524,024	$ 531,104	$ 231,301	$ (1,282,248)	$ 527,260
Other comprehensive (loss) income:						
Foreign currency translation gain	—	—	—	204,147	—	204,147
Amounts reclassified from accumulated other comprehensive loss to interest expense, net	—	4,148	—	—	—	4,148
Unrealized gains on interest rate swaps, net	—	102	—	—	—	102
Unrealized holding gains on available for sale securities, net	—	—	2,056	183	—	2,239
Other, net	(2)	—	(18)	—	—	(20)
Total other comprehensive (loss) income	(2)	4,250	2,038	204,330	—	210,616
Comprehensive income	523,077	528,274	533,142	435,631	(1,282,248)	737,876
Less: Comprehensive income attributable to non-controlling interests	—	—	—	4,544	—	4,544
Comprehensive income attributable to CBRE Group, Inc.	$ 523,077	$ 528,274	$ 533,142	$ 431,087	$ (1,282,248)	$ 733,332

**CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(Dollars in thousands)**

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Eliminations	Consolidated Total
Net income	$ 307,998	$ 310,069	$ 311,747	$ 118,789	$ (729,665)	$ 318,938
Other comprehensive income (loss):						
Foreign currency translation loss	—	—	—	(101,654)	—	(101,654)
Amounts reclassified from accumulated other comprehensive loss to interest expense, net	—	5,196	—	—	—	5,196
Unrealized losses on interest rate swaps, net	—	(3,327)	—	—	—	(3,327)
Unrealized holding gains on available for sale securities, net	—	—	862	131	—	993
Other, net	—	—	(759)	2	—	(757)
Total other comprehensive income (loss)	—	1,869	103	(101,521)	—	(99,549)
Comprehensive income	307,998	311,938	311,850	17,268	(729,665)	219,389
Less: Comprehensive income attributable to non-controlling interests	—	—	—	11,057	—	11,057
Comprehensive income attributable to CBRE Group, Inc.	$ 307,998	$ 311,938	$ 311,850	$ 6,211	$ (729,665)	$ 208,332

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Consolidated Total
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	$ 69,358	$ (7,513)	$ 129,361	$ 56,062	$ 247,268
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	—	—	(68,566)	(33,040)	(101,606)
Acquisition of businesses (other than GWS), including net assets acquired, intangibles and goodwill, net of cash acquired	—	—	(39,937)	(19,457)	(59,394)
Contributions to unconsolidated subsidiaries	—	—	(33,582)	(3,077)	(36,659)
Distributions from unconsolidated subsidiaries	—	—	172,868	4,638	177,506
Decrease (increase) in restricted cash	—	—	4,919	(15,939)	(11,020)
Purchase of available for sale securities	—	—	(29,408)	—	(29,408)
Proceeds from the sale of available for sale securities	—	—	25,618	—	25,618
Other investing activities, net	—	—	892	264	1,156
Net cash provided by (used in) investing activities	—	—	32,804	(66,611)	(33,807)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from revolving credit facility	—	911,000	—	—	911,000
Repayment of revolving credit facility	—	(911,000)	—	—	(911,000)
Proceeds from notes payable on real estate held for investment	—	—	—	79	79
Repayment of notes payable on real estate held for investment	—	—	—	(1,324)	(1,324)
Proceeds from notes payable on real estate held for sale and under development	—	—	—	3,341	3,341
Repayment of notes payable on real estate held for sale and under development	—	—	—	(10,777)	(10,777)
Units repurchased for payment of taxes on equity awards	(29,549)	—	—	—	(29,549)
Non-controlling interest contributions	—	—	—	3,410	3,410
Non-controlling interest distributions	—	—	—	(6,643)	(6,643)
Payment of financing costs	—	—	—	(21)	(21)
(Increase) decrease in intercompany receivables, net	(40,288)	(1,655)	22,982	18,961	—
Other financing activities, net	479	—	(3,145)	(7)	(2,673)
Net cash (used in) provided by financing activities	(69,358)	(1,655)	19,837	7,019	(44,157)
Effect of currency exchange rate changes on cash and cash equivalents	—	—	—	23,725	23,725
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	—	(9,168)	182,002	20,195	193,029
CASH AND CASH EQUIVALENTS, AT BEGINNING OF PERIOD	7	16,889	264,121	481,559	762,576
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	$ 7	$ 7,721	$ 446,123	$ 501,754	$ 955,605
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid during the period for:					
Interest	$ —	$ 111,795	$ —	$ 31	$ 111,826
Income taxes, net	$ —	$ —	$ 80,156	$ 124,072	$ 204,228

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(Dollars in thousands)

	Parent	CBRE Services	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Consolidated Total
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	$ 65,900	$ (9,453)	$ (80,074)	$ (29,562)	$ (53,189)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	—	—	(81,359)	(52,998)	(134,357)
Acquisition of businesses (other than GWS), including net assets acquired, intangibles and goodwill, net of cash acquired	—	—	(1,249)	(20,817)	(22,066)
Acquisition of GWS, including net assets acquired, intangibles and goodwill	—	—	3,256	(13,733)	(10,477)
Contributions to unconsolidated subsidiaries	—	—	(36,693)	(20,602)	(57,295)
Distributions from unconsolidated subsidiaries	—	—	116,072	3,467	119,539
Net proceeds from disposition of real estate held for investment	—	—	—	44,326	44,326
Increase in restricted cash	—	—	(545)	(1,078)	(1,623)
Purchase of available for sale securities	—	—	(31,413)	—	(31,413)
Proceeds from the sale of available for sale securities	—	—	29,560	—	29,560
Other investing activities, net	—	—	10,677	13,508	24,185
Net cash provided by (used in) investing activities	—	—	8,306	(47,927)	(39,621)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of senior term loans	—	(23,125)	—	—	(23,125)
Proceeds from revolving credit facility	—	2,195,000	—	—	2,195,000
Repayment of revolving credit facility	—	(2,112,000)	—	—	(2,112,000)
Proceeds from notes payable on real estate held for investment	—	—	—	7,274	7,274
Repayment of notes payable on real estate held for investment	—	—	—	(33,516)	(33,516)
Proceeds from notes payable on real estate held for sale and under development	—	—	—	15,110	15,110
Repayment of notes payable on real estate held for sale and under development	—	—	—	(4,102)	(4,102)
Shares repurchased for payment of taxes on equity awards	(27,796)	—	—	—	(27,796)
Non-controlling interest contributions	—	—	—	1,478	1,478
Non-controlling interest distributions	—	—	—	(12,800)	(12,800)
Payment of financing costs	—	(5,460)	—	(141)	(5,601)
(Increase) decrease in intercompany receivables, net	(39,019)	(40,954)	(50,454)	130,427	—
Other financing activities, net	915	—	(1,173)	(503)	(761)
Net cash (used in) provided by financing activities	(65,900)	13,461	(51,627)	103,227	(839)
Effect of currency exchange rate changes on cash and cash equivalents	—	—	—	(408)	(408)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	4,008	(123,395)	25,330	(94,057)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF PERIOD	5	8,479	147,410	384,509	540,403
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	$ 5	$ 12,487	$ 24,015	$ 409,839	$ 446,346
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid during the period for:					
Interest	$ —	$ 115,698	$ —	$ 2,574	$ 118,272
Income taxes, net	$ —	$ —	$ 123,231	$ 101,898	$ 225,129

12. Subsequent Event

On October 31, 2017, CBRE Services, our wholly-owned subsidiary, entered into a new Credit Agreement (the 2017 Credit Agreement), which refinanced and replaced the 2015 Credit Agreement (see Note 7).

The 2017 Credit Agreement is a senior unsecured credit facility that is jointly and severally guaranteed by us and certain of our subsidiaries. The 2017 Credit Agreement provides for the following credit facilities:

- a $750.0 million delayed draw tranche A term loan facility; and
- a revolving credit facility of up to $2.8 billion (including an allowance for borrowings outside of the U.S.), which includes the capacity to obtain letters of credit and swingline loans and matures on October 31, 2022.

Borrowings under the tranche A term loan facility bear interest, based at our option, on either (1) the applicable fixed rate plus 0.875% to 1.25% or (2) the daily rate plus 0.0% to 0.25%, in each case as determined by reference to our Credit Rating (as defined in the 2017 Credit Agreement). Borrowings under the tranche A term loan facility require quarterly payments, which begin on March 5, 2018 and continue through maturity on October 31, 2022, provided that in the event that our leverage ratio (as defined in the 2017 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, no such quarterly principal payment shall be required on such date.

The revolving credit facility allows for borrowings outside of the U.S., with a $200.0 million sub-facility available to 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 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 0.775% 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 requires us to pay a fee based on the total amount of the revolving credit facility commitment (whether used or unused) and a ticking fee to the lenders under the tranche A term loan facility (commencing on January 30, 2018 and ending on July 31, 2018 (or such earlier date as the tranche A term loan facility is terminated or drawn in its entirety)).

On October 31, 2017, CBRE Services made an initial borrowing of (1) $200.0 million under the tranche A term loan facility (with the remaining $550.0 million available to be drawn under the tranche A term loan facility on one additional occasion on any date on or prior to July 31, 2018) and (2) $83.0 million under the revolving credit facility. These proceeds, in addition to cash on hand, were used to repay all amounts outstanding under the 2015 Credit Agreement.

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 September 30, 2017 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, 2016. 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, 2016 as 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 2016 revenue, with leading full-service operations in major metropolitan areas throughout the world. We provide services in the office, retail, industrial, multifamily and hotel sectors of commercial real estate. As of December 31, 2016, we operated in approximately 450 offices worldwide with more than 75,000 employees, excluding independent affiliates, providing commercial real estate services under the "CBRE" brand name, investment management services under the "CBRE Global Investors" brand name and development services under the "Trammell Crow Company" brand name. Our business is focused on commercial property, corporate facilities, project and transaction management, tenant/occupier and property/agency leasing, capital markets solutions (property sales, commercial mortgage brokerage, loan origination and servicing), real estate investment management, valuation, development services and proprietary research. We generate revenue from both management fees (large multi-year portfolio and per-project contracts) and commissions on transactions. We have been included in the *Fortune* 500 since 2008 (ranking #214 in 2017) and among the *Fortune* Most Admired Companies in the real estate sector for five consecutive years, including 2017. Additionally, the International Association of Outsourcing Professionals (IAOP) has ranked us among the top few outsourcing service providers across all industries for six consecutive years, including 2017. In 2016, we were ranked by Forbes as the 15th best employer in America, and we were one of two companies to be ranked in the top 12 in the *Barron*'s 500 in each of 2014, 2015 and 2016.

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, 2016. There have been no material changes to these policies as of September 30, 2017.

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, most particularly 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 low-cost credit availability and increased acceptance of commercial real estate as an institutional asset class. Following years of strong growth, property sales volumes have slowed since early 2016, but the market has remained active. Commercial mortgage markets also have remained active, driven by low interest rates and a favorable lending environment. The U.S. Government Sponsored Enterprises continue to be a significant source of debt capital for multi-family properties.

European economies began to emerge from recession in 2013, with most countries returning to positive, albeit modest, economic growth. Sales and leasing activity has improved steadily across most of continental Europe for more than two years and this trend has continued in 2017. In the United Kingdom, sentiment has continued to improve since the June 2016 referendum to leave the European Union (EU), leading to higher property leasing and sales volumes. However, there continues to be uncertainty about both the withdrawal process and the United Kingdom's future relationship with the EU.

In Asia Pacific, real estate leasing and investment market activity has strengthened broadly since late 2016. Even as activity within the region has picked up, Asia Pacific investors remain a significant source of capital investing in real estate in 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. Real estate equity securities have been pressured by a shift in investor preferences from active to passive portfolio strategies and concerns about potentially higher interest rates.

The performance of our global real estate services and real estate 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 new service competencies, to increase our scale within existing competencies and to expand our presence in various geographic regions around the world. On September 1, 2015, CBRE, Inc., our wholly-owned subsidiary, pursuant to a Stock and Asset Purchase Agreement with Johnson Controls, Inc. (JCI), acquired JCI's Global Workplace Solutions (JCI-GWS) business (which we refer to as the GWS Acquisition). The acquired JCI-GWS business was a market-leading provider of integrated facilities management solutions for major occupiers of commercial real estate and had significant operations around the world. The purchase price was $1.475 billion, paid in cash, plus adjustments totaling $46.5 million for working capital and other items. We completed the GWS Acquisition in order to advance our strategy of delivering globally integrated services to major occupiers in our Americas, EMEA and Asia Pacific segments. We merged the acquired JCI-GWS business with our existing occupier outsourcing business line, and the new combined business adopted the "Global Workplace Solutions" name.

Strategic in-fill acquisitions have also played a key role in expanding our geographic coverage and broadening and 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 small equity interest. During 2016, we acquired our independent affiliate in Norway, a London-based retail property advisor specializing in the luxury goods retail sector and a leading provider of retail project management, shopping center development and tenant coordination services in the United States. We also made an equity investment in a property services firm in Malaysia, acquiring a 49% interest. During the nine months ended September 30, 2017, we acquired a leading Software as a Service (SaaS) platform that produces scalable interactive visualization technologies for commercial real estate, a technology company that provides mobile and SaaS technology solutions for facilities management operations, a healthcare-focused project manager in Australia, a full-service brokerage and management boutique in South Florida, a technology-enabled national boutique commercial real estate finance and consulting firm in the United States, a retail consultancy in France and a majority interest in a Toronto-based investment management business specializing in private infrastructure and private equity investments. In addition, in October 2017, we acquired a San Francisco-based technology-focused boutique real estate brokerage firm and a project management and design engineering firm operating across the United States.

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 September 30, 2017, we have accrued deferred consideration totaling $73.2 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 Global Investment Management 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, which has significantly declined in value as compared to the U.S. dollar and other currencies as a result of the United Kingdom's referendum to leave the European Union. Fluctuations in foreign currency exchange rates have resulted and may continue to result in corresponding fluctuations in our AUM, revenue and earnings.

During the nine months ended September 30, 2017, approximately 47% 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, Japanese yen, Mexican peso, 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 September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
United States dollar	$ 1,831,597	51.6%	$ 1,687,692	52.8%	$ 5,212,192	52.8%	$ 4,927,214	53.3%
British pound sterling	528,462	14.9%	486,195	15.2%	1,447,535	14.7%	1,453,854	15.7%
euro	414,918	11.7%	377,930	11.8%	1,136,860	11.5%	1,073,762	11.6%
Australian dollar	104,704	2.9%	91,138	2.9%	281,368	2.8%	250,323	2.7%
Canadian dollar	100,844	2.8%	80,822	2.5%	253,813	2.6%	220,833	2.4%
Indian rupee	78,281	2.2%	61,001	1.9%	226,669	2.3%	171,475	1.9%
Chinese yuan	61,761	1.7%	49,945	1.6%	164,320	1.7%	146,898	1.6%
Japanese yen	59,365	1.7%	51,641	1.6%	153,731	1.6%	140,412	1.5%
Singapore dollar	53,787	1.5%	44,266	1.4%	162,600	1.6%	122,422	1.3%
Swiss franc	36,421	1.0%	39,195	1.2%	104,592	1.1%	102,383	1.1%
Hong Kong dollar	33,339	0.9%	24,656	0.8%	85,266	0.9%	71,186	0.8%
Brazilian real	32,067	0.9%	23,580	0.7%	70,215	0.7%	54,536	0.6%
Mexican peso	29,153	0.8%	21,228	0.7%	75,562	0.8%	58,815	0.6%
Polish zloty	19,227	0.5%	15,861	0.5%	43,995	0.4%	46,203	0.5%
Danish krone	18,531	0.5%	18,061	0.6%	53,435	0.5%	48,501	0.5%
Thai baht	14,568	0.4%	9,612	0.3%	36,738	0.4%	28,164	0.3%
Swedish krona	13,056	0.4%	12,905	0.4%	41,123	0.4%	41,234	0.4%
Other currencies	119,896	3.6%	97,759	3.1%	323,382	3.2%	289,543	3.2%
Total revenue	$ 3,549,977	100.0%	$ 3,193,487	100.0%	$ 9,873,396	100.0%	$ 9,247,758	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 nine months ended September 30, 2017, the net impact would have been an increase in pre-tax income of $2.3 million. Had the euro-to-U.S. dollar exchange rates been 10% higher during the nine months ended September 30, 2017, the net impact would have been an increase in pre-tax income of $7.6 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.

For the past several years, we have entered into derivative financial instruments to attempt to protect the value or fix the amount of certain obligations in terms of our reporting currency, the U.S. dollar. As of September 30, 2017, we had no foreign currency exchange forward contracts outstanding as we made the decision to let our program expire at the end of 2016. Included in the consolidated statement of operations set forth in Item 1 of this Quarterly Report were net gains of $0.2 million and $1.2 million, respectively, from foreign currency exchange forward contracts, which hedged foreign currency denominated EBITDA for the three and nine months ended September 30, 2016. We do not intend to hedge our foreign currency denominated EBITDA in 2017.

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 and nine months ended September 30, 2017 and 2016 (dollars in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
Revenue:								
Fee revenue (1):								
Occupier outsourcing	$ 628,348	17.7 %	$ 553,197	17.3 %	$ 1,794,046	18.2 %	$ 1,664,687	18.0 %
Property management	137,618	3.9 %	123,501	3.9 %	393,714	4.0 %	370,158	4.0 %
Valuation	126,986	3.6 %	120,356	3.8 %	373,209	3.8 %	355,139	3.8 %
Loan servicing (2)	38,347	1.1 %	30,866	1.0 %	114,618	1.2 %	89,834	1.0 %
Investment management	92,122	2.6 %	91,807	2.9 %	274,451	2.8 %	277,924	3.0 %
Leasing	700,330	19.7 %	619,709	19.4 %	1,856,436	18.8 %	1,771,810	19.2 %
Capital Markets:								
Sales	455,022	12.8 %	415,593	13.0 %	1,233,959	12.5 %	1,134,969	12.3 %
Commercial mortgage origination (2)	108,408	3.1 %	123,096	3.9 %	297,643	3.0 %	303,006	3.3 %
Other:								
Development services	11,263	0.3 %	13,010	0.4 %	35,545	0.4 %	42,313	0.5 %
Other	22,890	0.6 %	22,771	0.6 %	61,142	0.5 %	60,690	0.5 %
Total fee revenue	2,321,334	65.4 %	2,113,906	66.2 %	6,434,763	65.2 %	6,070,530	65.6 %
Pass through costs also recognized as revenue	1,228,643	34.6 %	1,079,581	33.8 %	3,438,633	34.8 %	3,177,228	34.4 %
Total revenue	3,549,977	100.0 %	3,193,487	100.0 %	9,873,396	100.0 %	9,247,758	100.0 %
Costs and expenses:								
Cost of services	2,513,377	70.8 %	2,252,783	70.5 %	6,919,018	70.1 %	6,520,629	70.5 %
Operating, administrative and other	704,898	19.9 %	686,530	21.5 %	2,023,503	20.5 %	2,010,338	21.7 %
Depreciation and amortization	102,591	2.8 %	92,725	2.9 %	297,014	3.0 %	269,987	3.0 %
Total costs and expenses	3,320,866	93.5 %	3,032,038	94.9 %	9,239,535	93.6 %	8,800,954	95.2 %
Gain on disposition of real estate	6,180	0.1 %	11,043	0.3 %	18,863	0.2 %	15,862	0.2 %
Operating income	235,291	6.6 %	172,492	5.4 %	652,724	6.6 %	462,666	5.0 %
Equity income from unconsolidated subsidiaries	67,834	1.9 %	24,672	0.8 %	158,236	1.6 %	116,902	1.3 %
Other income	1,768	0.0 %	1,356	0.0 %	9,069	0.1 %	8,453	0.1 %
Interest income	3,129	0.1 %	1,020	0.0 %	6,967	0.1 %	5,545	0.1 %
Interest expense	34,483	0.9 %	37,273	1.1 %	103,923	1.1 %	109,050	1.3 %
Income before provision for income taxes	273,539	7.7 %	162,267	5.1 %	723,073	7.3 %	484,516	5.2 %
Provision for income taxes	76,178	2.1 %	51,414	1.6 %	195,813	2.0 %	165,578	1.8 %
Net income	197,361	5.6 %	110,853	3.5 %	527,260	5.3 %	318,938	3.4 %
Less: Net income attributable to non-controlling interests	1,044	0.1 %	6,690	0.2 %	4,181	0.0 %	10,940	0.1 %
Net income attributable to CBRE Group, Inc.	$ 196,317	5.5 %	$ 104,163	3.3 %	$ 523,079	5.3 %	$ 307,998	3.3 %
EBITDA	$ 406,440	11.4 %	$ 284,555	8.9 %	$ 1,112,862	11.3 %	$ 847,068	9.2 %
Adjusted EBITDA	$ 411,574	11.6 %	$ 349,384	10.9 %	$ 1,127,331	11.4 %	$ 992,518	10.7 %

(1) Certain adjustments have been made to 2016 fee revenue to conform with current-year presentation.

(2) Prior disclosure of fee revenue included loan servicing and commercial mortgage origination in one line item entitled “Commercial mortgage services”. Beginning in Q3 2017, we began to disclose recurring revenue from our loan servicing portfolio and revenue from commercial mortgage origination on separate lines.

Fee revenue, EBITDA and adjusted EBITDA 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 and adjusted EBITDA 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, income taxes, depreciation and amortization. Amounts shown for adjusted EBITDA further remove (from EBITDA) the impact of certain cash and non-cash charges related to acquisitions, cost-elimination expenses and certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue. 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 September 30,		**Nine Months Ended September 30,**	
	2017	**2016**	**2017**	**2016**
Net income attributable to CBRE Group, Inc.	$ 196,317	$ 104,163	$ 523,079	$ 307,998
Add:				
Depreciation and amortization	102,591	92,725	297,014	269,987
Interest expense	34,483	37,273	103,923	109,050
Provision for income taxes	76,178	51,414	195,813	165,578
Less:				
Interest income	3,129	1,020	6,967	5,545
EBITDA	406,440	284,555	1,112,862	847,068
Adjustments:				
Cost-elimination expenses (1)	—	38,877	—	78,456
Integration and other costs related to acquisitions	—	28,596	27,351	73,520
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	5,134	(2,644)	(12,882)	(6,526)
Adjusted EBITDA	$ 411,574	$ 349,384	$ 1,127,331	$ 992,518

(1) Represents cost-elimination expenses relating to a program initiated in the fourth quarter of 2015 and completed in the third quarter of 2016 (our cost-elimination project) to reduce the company's global cost

structure after several years of significant revenue and related cost growth. Cost-elimination expenses incurred during the three and nine months ended September 30, 2016 consisted of $36.7 million and $73.6 million, respectively, of severance costs related to headcount reductions in connection with the program and $2.2 million and $4.9 million, respectively, of third-party contract termination costs.

Three Months Ended September 30, 2017 Compared to the Three Months Ended September 30, 2016

We reported consolidated net income of $196.3 million for the three months ended September 30, 2017 on revenue of $3.5 billion as compared to consolidated net income of $104.2 million on revenue of $3.2 billion for the three months ended September 30, 2016.

Our revenue on a consolidated basis for the three months ended September 30, 2017 increased by $356.5 million, or 11.2%, as compared to the three months ended September 30, 2016. The revenue increase reflects strong organic growth fueled by higher occupier outsourcing revenue (up 13.5%) and property management revenue (up 7.8%), increased leasing activity (up 12.4%) and sales activity (up 8.6%) as well as higher loan servicing revenue (up 24.3%). Foreign currency translation had a $26.3 million positive impact on total revenue during the three months ended September 30, 2017, primarily driven by strength in the euro. These increases were partially offset by lower revenue from commercial mortgage origination (down 12.0%).

Our cost of services on a consolidated basis increased by $260.6 million, or 11.6%, during the three months ended September 30, 2017 as compared to same period in 2016. This increase was primarily due to higher costs associated with our occupier outsourcing business and higher professional bonuses (particularly in the United States and United Kingdom) resulting from improved operating performance. In addition, our sales professionals generally are paid on a commission basis, which substantially correlates with our transaction revenue performance. Accordingly, the increase in sales and lease transaction revenue led to a corresponding increase in commission expense. Foreign currency translation also had an $18.5 million negative impact on cost of services during the three months ended September 30, 2017. These items were partially offset by the impact of $14.7 million of costs incurred in the prior-year quarter in connection with our cost-elimination project that did not recur in the current year. Cost of services as a percentage of revenue was consistent at 70.5% for the three months ended September 30, 2016 and 70.8% for the three months ended September 30, 2017.

Our operating, administrative and other expenses on a consolidated basis increased by $18.4 million, or 2.7%, during the three months ended September 30, 2017 as compared to the three months ended September 30, 2016. The increase was mostly driven by higher payroll-related costs (including an increase in bonus and stock compensation expense driven by improved operating performance) and an increase in net carried interest expense incurred in the current year. Foreign currency also had a net $3.6 million negative impact on total operating expenses during the three months ended September 30, 2017, including a $5.7 million negative impact from foreign currency translation, partially offset by $2.1 million of favorable foreign currency transaction activity over the same period in the prior year (part of which related to hedging activity in the prior year, which did not recur in the current year given that we discontinued our hedging program at the end of 2016). These items were partially offset by the impact of costs incurred in the third quarter of 2016 which did not recur in the current-year quarter, including $28.3 million of integration and other costs associated with the GWS Acquisition and $24.2 million in connection with our cost-elimination project. Such costs were the primary driver of operating expenses as a percentage of revenue decreasing from 21.5% for the three months ended September 30, 2016 to 19.9% for the three months ended September 30, 2017.

Our depreciation and amortization expense on a consolidated basis increased by $9.9 million, or 10.6%, during the three months ended September 30, 2017 as compared to the same period in 2016. This increase was primarily attributable to higher amortization expense associated with mortgage servicing rights. A rise in depreciation expense of $4.3 million during the three months ended September 30, 2017 driven by technology-related capital expenditures also contributed to the increase.

Our equity income from unconsolidated subsidiaries on a consolidated basis increased by $43.2 million, or 174.9%, for the three months ended September 30, 2017 as compared to the same period in 2016, primarily driven by higher equity earnings associated with gains on property sales reported in our Development Services segment.

Our consolidated interest expense decreased by $2.8 million, or 7.5%, for the three months ended September 30, 2017 as compared to the three months ended September 30, 2016. This decrease was primarily driven by lower interest expense due to lower net borrowings under our revolving credit facility and a decrease in notes payable on real estate during the third quarter of 2017.

Our provision for income taxes on a consolidated basis was $76.2 million for the three months ended September 30, 2017 as compared to $51.4 million for the same period in 2016. Our effective tax rate, after adjusting pre-tax income to remove the portion attributable to non-controlling interests, decreased to 28.0% for the three months ended September 30, 2017 compared to 33.0% for the three months ended September 30, 2016. We benefited from a more favorable geographic mix of income, a re-measurement of income tax exposures relating to prior periods and excess tax benefits on share-based awards. A more favorable geographic mix of income contributed to the decrease in effective tax rate as greater income was generated from lower taxed jurisdictions. The tax rate can vary from quarter to quarter due to the timing of discrete items, such as the settlement of income tax audits and changes in tax laws.

Nine Months Ended September 30, 2017 Compared to the Nine Months Ended September 30, 2016

We reported consolidated net income of $523.1 million for the nine months ended September 30, 2017 on revenue of $9.9 billion as compared to consolidated net income of $308.0 million on revenue of $9.2 billion for the nine months ended September 30, 2016.

Our revenue on a consolidated basis for the nine months ended September 30, 2017 increased by $625.6 million, or 6.8%, as compared to the nine months ended September 30, 2016. The revenue increase reflects strong organic growth fueled by higher occupier outsourcing revenue (up 10.3%) and property management revenue (up 7.8%), and increased sales activity (up 9.3%) and leasing activity (up 5.0%) as well as higher loan servicing revenue (up 28.4%). These increases were partially offset by foreign currency translation, which had a $125.9 million negative impact on total revenue during the nine months ended September 30, 2017, primarily driven by weakness in the British pound sterling.

Our cost of services on a consolidated basis increased by $398.4 million, or 6.1%, during the nine months ended September 30, 2017 as compared to same period in 2016. This increase was primarily due to higher costs associated with our occupier outsourcing business as well as higher professional bonuses (particularly in the United Kingdom) resulting from improved operating performance. As previously mentioned, our sales professionals generally are paid on a commission basis, which substantially correlates with our transaction revenue performance. Accordingly, the increase in sales and lease transaction revenue led to a corresponding increase in commission expense. These increases were partially offset by foreign currency translation, which had a $99.2 million positive impact on cost of services during the nine months ended September 30, 2017. In addition, we incurred $37.1 million of costs in the prior-year period in connection with our cost-elimination project that did not recur in the current year. The absence of such costs was the primary driver of cost of services as a percentage of revenue decreasing from 70.5% for the nine months ended September 30, 2016 to 70.1% for the nine months ended September 30, 2017. Higher transaction revenue in certain countries that have a fixed compensation structure also contributed to the decrease in cost of services as a percentage of revenue for the nine months ended September 30, 2017.

Our operating, administrative and other expenses on a consolidated basis increased by $13.2 million, or 0.7%, during the nine months ended September 30, 2017 as compared to same period in 2016. The increase was mostly driven by higher payroll-related costs (including an increase in bonus and stock compensation expense driven by improved operating performance). This increase was partially offset by a decrease of $46.6 million in integration and other costs related to the GWS Acquisition incurred during the nine months ended September 30, 2017 as well as the impact of $41.4 million of costs incurred during the nine months ended September 30, 2016 as part of our cost-elimination project, which did not recur in the current year. Foreign currency also had a $21.4 million positive impact on total operating expenses during the nine months ended September 30, 2017, including a $20.9 million positive impact from foreign currency translation and $0.5 million of favorable foreign currency transaction activity over the same period in the prior year (part of which related to net hedging activity in the prior year, which did not recur in the current year given that we discontinued our hedging program at the end of 2016). Operating expenses as a percentage of revenue decreased from 21.7% for the nine months ended September 30, 2016 to 20.5% for the nine months ended September 30, 2017, primarily driven by the aforementioned decline in integration and other costs related to the GWS Acquisition as well as the costs associated with our cost-elimination project in 2016.

Our depreciation and amortization expense on a consolidated basis increased by $27.0 million, or 10.0%, during the nine months ended September 30, 2017 as compared to the same period in 2016. This increase was primarily attributable to higher amortization expense associated with mortgage servicing rights. A rise in depreciation expense of $9.0 million during the nine months ended September 30, 2017 driven by technology-related capital expenditures also contributed to the increase.

Our equity income from unconsolidated subsidiaries on a consolidated basis increased by $41.3 million, or 35.4%, during the nine months ended September 30, 2017 as compared to the same period in 2016, primarily driven by higher equity earnings associated with gains on property sales reported in our Development Services segment.

Our consolidated interest expense decreased by $5.1 million, or 4.7%, for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. This decrease was primarily driven by lower interest expense due to lower net borrowings under our revolving credit facility and a decrease in notes payable on real estate during the first nine months of 2017.

Our provision for income taxes on a consolidated basis was $195.8 million for the nine months ended September 30, 2017 as compared to $165.6 million for the same period in 2016. Our effective tax rate, after adjusting pre-tax income to remove the portion attributable to non-controlling interests, decreased to 27.2% for the nine months ended September 30, 2017 compared to 35.0% for the nine months ended September 30, 2016. We benefited from a more favorable geographic mix of income, a re-measurement of income tax exposures relating to prior periods and certain one-time benefits. The favorable impact from discrete items recorded in the current-year period, primarily driven by the positive impact from the resolution of certain tax audits and the re-measurement of income tax exposures relating to prior periods, contributed to the lower effective tax rate for the nine months ended September 30, 2017. In addition, a more favorable geographic mix of income contributed to the decrease in effective tax rate as greater income was generated from lower taxed jurisdictions.

Segment Operations

We report our operations through the following segments: (1) Americas; (2) Europe, Middle East and Africa (EMEA); (3) Asia Pacific; (4) Global Investment Management; and (5) Development Services. The Americas consists of operations located in the United States, Canada and key markets in Latin America. EMEA mainly consists of operations in Europe, while Asia Pacific includes operations in Asia, Australia and New Zealand. The Global Investment Management business consists of investment management operations in North America, Europe and Asia Pacific. The Development Services business consists of real estate development and investment activities primarily in the United States.

The following table summarizes our results of operations by our Americas, EMEA, Asia Pacific, Global Investment Management and Development Services operating segments for the three and nine months ended September 30, 2017 and 2016 (dollars in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016 (1)		2017		2016 (1)	
Americas								
Revenue:								
Fee revenue:								
Occupier outsourcing	$ 272,130	13.8 %	$ 234,518	13.2 %	$ 784,996	14.2 %	$ 691,229	13.4 %
Property management	70,186	3.6 %	66,191	3.7 %	207,635	3.8 %	202,832	3.9 %
Valuation	59,009	3.0 %	62,212	3.5 %	177,789	3.2 %	178,446	3.5 %
Loan servicing (2)	36,032	1.8 %	28,345	1.6 %	106,746	1.9 %	81,313	1.6 %
Leasing	505,918	25.7 %	445,092	25.1 %	1,356,426	24.6 %	1,315,003	25.6 %
Capital Markets:								
Sales	290,657	14.8 %	271,273	15.3 %	787,057	14.3 %	758,880	14.8 %
Commercial mortgage origination (2)	107,096	5.4 %	121,333	6.8 %	291,081	5.3 %	299,141	5.8 %
Other	14,187	0.7 %	11,789	0.7 %	38,271	0.6 %	35,609	0.7 %
Total fee revenue	1,355,215	68.8 %	1,240,753	69.9 %	3,750,001	67.9 %	3,562,453	69.3 %
Pass through costs also recognized as revenue	614,215	31.2 %	534,573	30.1 %	1,768,962	32.1 %	1,581,137	30.7 %
Total revenue	1,969,430	100.0 %	1,775,326	100.0 %	5,518,963	100.0 %	5,143,590	100.0 %
Costs and expenses:								
Cost of services	1,394,731	70.8 %	1,256,268	70.8 %	3,848,207	69.7 %	3,594,638	69.9 %
Operating, administrative and other	340,190	17.3 %	335,839	18.9 %	1,013,478	18.4 %	994,439	19.3 %
Depreciation and amortization	73,768	3.7 %	62,549	3.5 %	214,061	3.9 %	186,352	3.6 %
Operating income	160,741	8.2 %	120,670	6.8 %	443,217	8.0 %	368,161	7.2 %
Equity income from unconsolidated subsidiaries	3,295	0.2 %	3,056	0.2 %	13,157	0.3 %	13,879	0.2 %
Other income (loss)	455	0.0 %	277	0.0 %	1,494	0.0 %	(204)	0.0 %
Less: Net income attributable to non-controlling interests	—	0.0 %	1	0.0 %	—	0.0 %	—	0.0 %
Add-back: Depreciation and amortization	73,768	3.7 %	62,549	3.5 %	214,061	3.9 %	186,352	3.6 %
EBITDA	$ 238,259	12.1 %	$ 186,551	10.5 %	$ 671,929	12.2 %	$ 568,188	11.0 %
Adjusted EBITDA	$ 238,259	12.1 %	$ 222,043	12.5 %	$ 689,068	12.5 %	$ 636,668	12.4 %

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016 (1)		2017		2016 (1)	
EMEA								
Revenue:								
Fee revenue:								
Occupier outsourcing	$ 292,794	28.3 %	$ 264,758	27.9 %	$ 829,764	29.3 %	$ 815,773	29.7 %
Property management	43,003	4.2 %	36,338	3.8 %	116,949	4.1 %	106,980	3.9 %
Valuation	39,462	3.8 %	31,071	3.3 %	109,200	3.9 %	96,954	3.5 %
Loan servicing (2)	2,315	0.2 %	2,521	0.3 %	7,872	0.3 %	8,521	0.3 %
Leasing	105,256	10.2 %	98,406	10.4 %	267,834	9.5 %	251,911	9.2 %
Capital Markets:								
Sales	83,937	8.1 %	83,673	8.8 %	245,292	8.7 %	217,120	7.9 %
Commercial mortgage origination (2)	777	0.1 %	883	0.1 %	4,583	0.2 %	2,201	0.1 %
Other	6,768	0.7 %	6,817	0.7 %	16,383	0.4 %	16,286	0.7 %
Total fee revenue	574,312	55.6 %	524,467	55.3 %	1,597,877	56.4 %	1,515,746	55.3 %
Pass through costs also recognized as revenue	458,730	44.4 %	423,586	44.7 %	1,234,087	43.6 %	1,226,572	44.7 %
Total revenue	1,033,042	100.0 %	948,053	100.0 %	2,831,964	100.0 %	2,742,318	100.0 %
Costs and expenses:								
Cost of services	803,293	77.8 %	734,343	77.5 %	2,202,793	77.8 %	2,169,669	79.1 %
Operating, administrative and other	158,829	15.4 %	164,552	17.4 %	466,606	16.5 %	473,442	17.3 %
Depreciation and amortization	17,539	1.7 %	19,379	2.0 %	51,954	1.8 %	50,631	1.8 %
Operating income	$ 53,381	5.1 %	$ 29,779	3.1 %	$ 110,611	3.9 %	$ 48,576	1.8 %
Equity income from unconsolidated subsidiaries	399	0.1 %	483	0.1 %	1,218	0.1 %	1,226	0.1 %
Other (loss) income	(95)	0.0 %	—	0.0 %	(72)	0.0 %	10	0.0 %
Less: Net income (loss) attributable to non-controlling interests	55	0.0 %	431	0.0 %	(105)	0.0 %	(358)	0.0 %
Add-back: Depreciation and amortization	17,539	1.7 %	19,379	2.0 %	51,954	1.8 %	50,631	1.8 %
EBITDA	$ 71,169	6.9 %	$ 49,210	5.2 %	$ 163,816	5.8 %	$ 100,801	3.7 %
Adjusted EBITDA	$ 71,169	6.9 %	$ 61,777	6.5 %	$ 173,610	6.1 %	$ 148,842	5.4 %

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016 (1)		2017		2016 (1)	
Asia Pacific								
Revenue:								
Fee revenue:								
Occupier outsourcing	$ 63,424	14.4 %	$ 53,921	14.9 %	$ 179,286	14.9 %	$ 157,685	15.3 %
Property management	22,092	5.0 %	18,337	5.1 %	61,785	5.1 %	53,743	5.2 %
Valuation	28,515	6.5 %	27,073	7.5 %	86,220	7.2 %	79,739	7.7 %
Leasing	88,576	20.1 %	75,906	21.0 %	230,719	19.2 %	203,742	19.7 %
Capital Markets:								
Sales	80,158	18.2 %	60,098	16.6 %	200,645	16.7 %	157,876	15.3 %
Commercial mortgage origination (2)	535	0.1 %	880	0.2 %	1,989	0.2 %	1,664	0.2 %
Other	1,935	0.4 %	4,165	1.1 %	6,478	0.5 %	8,795	0.8 %
Total fee revenue	285,235	64.7 %	240,380	66.4 %	767,122	63.8 %	663,244	64.2 %
Pass through costs also recognized as revenue	155,698	35.3 %	121,422	33.6 %	435,584	36.2 %	369,519	35.8 %
Total revenue	440,933	100.0 %	361,802	100.0 %	1,202,706	100.0 %	1,032,763	100.0 %
Costs and expenses:								
Cost of services	315,353	71.5 %	262,172	72.5 %	868,018	72.2 %	756,322	73.2 %
Operating, administrative and other	82,610	18.7 %	72,656	20.1 %	228,705	19.0 %	217,982	21.1 %
Depreciation and amortization	4,657	1.1 %	4,481	1.2 %	13,360	1.1 %	12,963	1.3 %
Operating income	$ 38,313	8.7 %	$ 22,493	6.2 %	$ 92,623	7.7 %	$ 45,496	4.4 %
Equity income from unconsolidated subsidiaries	111	0.0 %	102	0.1 %	161	0.0 %	142	0.0 %
Less: Net income attributable to non-controlling interests	—	0.0 %	45	0.0 %	—	0.0 %	208	0.0 %
Add-back: Depreciation and amortization	4,657	1.1 %	4,481	1.2 %	13,360	1.1 %	12,963	1.3 %
EBITDA	$ 43,081	9.8 %	$ 27,031	7.5 %	$ 106,144	8.8 %	$ 58,393	5.7 %
Adjusted EBITDA	$ 43,081	9.8 %	$ 31,467	8.7 %	$ 106,562	8.9 %	$ 72,570	7.0 %
Global Investment Management								
Revenue	$ 92,122	100.0 %	$ 91,807	100.0 %	$ 274,451	100.0 %	$ 277,924	100.0 %
Costs and expenses:								
Operating, administrative and other	76,347	82.9 %	86,493	94.2 %	199,178	72.6 %	232,460	83.6 %
Depreciation and amortization	6,082	6.6 %	5,673	6.2 %	16,006	5.8 %	18,110	6.6 %
Operating income (loss)	$ 9,693	10.5 %	$ (359)	(0.4 %)	$ 59,267	21.6 %	$ 27,354	9.8 %
Equity income from unconsolidated subsidiaries	1,895	2.1 %	1,519	1.6 %	7,187	2.7 %	6,273	2.2 %
Other income	1,408	1.5 %	1,079	1.2 %	7,647	2.8 %	8,647	3.1 %
Less: Net income attributable to non-controlling interests	1,010	1.1 %	1,858	2.0 %	4,254	1.6 %	6,807	2.4 %
Add-back: Depreciation and amortization	6,082	6.6 %	5,673	6.2 %	16,006	5.8 %	18,110	6.6 %
EBITDA	$ 18,068	19.6 %	$ 6,054	6.6 %	$ 85,853	31.3 %	$ 53,577	19.3 %
Adjusted EBITDA	$ 23,202	25.2 %	$ 18,988	20.7 %	$ 72,971	26.6 %	$ 68,329	24.6 %

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016 (1)		2017		2016 (1)	
Development Services								
Revenue:								
Property management	$ 2,337	16.2%	$ 2,635	16.0%	$ 7,345	16.2%	$ 6,603	12.9%
Leasing	580	4.0%	305	1.8%	1,457	3.2%	1,154	2.3%
Capital Markets:								
Sales	270	1.9%	549	3.3%	965	2.1%	1,093	2.1%
Other:								
Development services	11,263	77.9%	13,010	78.9%	35,545	78.5%	42,313	82.7%
Total revenue	14,450	100.0%	16,499	100.0%	45,312	100.0%	51,163	100.0%
Costs and expenses:								
Operating, administrative and other	46,922	324.7%	26,990	163.6%	115,536	255.0%	92,015	179.8%
Depreciation and amortization	545	3.8%	643	3.9%	1,633	3.6%	1,931	3.8%
Gain on disposition of real estate	6,180	42.8%	11,043	66.9%	18,863	41.6%	15,862	31.0%
Operating loss	$ (26,837)	(185.7%)	$ (91)	(0.6%)	$ (52,994)	(117.0%)	$ (26,921)	(52.6%)
Equity income from unconsolidated subsidiaries	62,134	430.0%	19,512	118.3%	136,513	301.4%	95,382	186.4%
Less: Net (loss) income attributable to non-controlling interests	(21)	(0.1%)	4,355	26.4%	32	0.1%	4,283	8.4%
Add-back: Depreciation and amortization	545	3.8%	643	3.9%	1,633	3.6%	1,931	3.8%
EBITDA and Adjusted EBITDA	$ 35,863	248.2%	$ 15,709	95.2%	$ 85,120	187.9%	$ 66,109	129.2%

(1) In 2017, we changed the presentation of the operating results of one of our emerging businesses among our regional services reporting segments. Prior year amounts have been reclassified to conform with the current-year presentation. This change had no impact on our consolidated results. Additionally, certain adjustments have been made to 2016 fee revenue to conform with current-year presentation.

(2) Prior disclosure of fee revenue included loan servicing and commercial mortgage origination in one line item entitled "Commercial mortgage services". Beginning in Q3 2017, we began to disclose recurring revenue from our loan servicing portfolio and revenue from commercial mortgage origination on separate lines.

Three Months Ended September 30, 2017 Compared to the Three Months Ended September 30, 2016

Americas

Revenue increased by $194.1 million, or 10.9%, for the three months ended September 30, 2017 compared to the three months ended September 30, 2016. The revenue increase reflects strong organic growth fueled by higher occupier outsourcing and property management revenue and improved sales and leasing activity as well as higher loan servicing revenue. Foreign currency translation also had a $4.2 million positive impact on revenue during the three months ended September 30, 2017, primarily driven by strength in the Canadian dollar and Mexican peso. These increases were partially offset by lower revenue from commercial mortgage origination.

Cost of services increased by $138.5 million, or 11.0%, for the three months ended September 30, 2017 as compared to the same period in 2016, primarily due to higher costs associated with our occupier outsourcing business and higher professional bonuses in the United States resulting from improved operating performance. Also contributing to the variance was higher commission expense resulting from improved sales and lease transaction revenue. Foreign currency translation had a $2.8 million negative impact on cost of services during the three months ended September 30, 2017. These items were partially offset by the impact of $11.1 million of costs incurred in the prior-year quarter in connection with our cost-elimination project that did not recur in the current year. Cost of services as a percentage of revenue was consistent at 70.8% for both the three months ended September 30, 2017 and 2016, with the impact of higher professional bonuses incurred in the current year offset by the impact of cost-elimination project costs that were only incurred in the prior year.

Operating, administrative and other expenses increased by $4.4 million, or 1.3%, for the three months ended September 30, 2017 as compared to the three months ended September 30, 2016. The increase was partly driven by higher payroll-related costs (including an increase in bonus and stock compensation expense due to improved operating performance). Foreign currency also had a $1.9 million negative impact on total operating expenses during the three months ended September 30, 2017, which included unfavorable foreign currency transaction activity, mostly hedging related, of $1.0 million and a negative impact from foreign currency translation of $0.9

million. These increases were partially offset by the impact of $17.2 million in integration and other costs related to the GWS Acquisition and $6.9 million associated with our cost-elimination project, both of which were incurred during the three months ended September 30, 2016 and did not recur in the third quarter of 2017.

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. We also assume or purchase certain servicing assets. 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 September 30, 2017, MSRs contributed to operating income $35.4 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $25.8 million of amortization of related intangible assets. For the three months ended September 30, 2016, MSRs contributed to operating income $48.9 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $18.0 million of amortization of related intangible assets.

EMEA

Revenue increased by $85.0 million, or 9.0%, for the three months ended September 30, 2017 as compared to the same period in 2016. We achieved strong organic growth fueled by higher occupier outsourcing and property management revenue, as well as increased sales and leasing activity. Foreign currency translation also had an $18.5 million positive impact on total revenue during the three months ended September 30, 2017, primarily driven by strength in the euro, partially offset by weakness in the British pound sterling.

Cost of services increased by $68.9 million, or 9.4%, for the three months ended September 30, 2017 as compared to the same period in 2016, primarily due to higher costs associated with our occupier outsourcing business as well as higher professional bonuses (particularly in the United Kingdom) resulting from improved operating performance. In addition, foreign currency translation had a $13.4 million negative impact on cost of services during the third quarter of 2017. Cost of services as a percentage of revenue was relatively consistent at 77.5% for the three months ended September 30, 2016 and 77.8% for the three months ended September 30, 2017.

Operating, administrative and other expenses decreased by $5.7 million, or 3.5%, for the three months ended September 30, 2017 as compared to the three months ended September 30, 2016. This decrease was primarily driven by the impact of $10.1 million of integration and other costs related to the GWS Acquisition incurred during the third quarter of 2016 that did not recur in the current-year quarter. This was partially offset by foreign currency, which had a net $2.6 million negative impact on total operating expenses during the three months ended September 30, 2017, including a $3.5 million negative impact from foreign currency translation, partially offset by $0.9 million of favorable foreign currency transaction activity, part of which related to hedging activities.

Asia Pacific

Revenue increased by $79.1 million, or 21.9%, for the three months ended September 30, 2017 as compared to the three months ended September 30, 2016. The revenue increase reflects strong organic growth, fueled by higher occupier outsourcing and property management revenue as well as improved sales and leasing activity. Foreign currency translation also had a $2.5 million positive impact on total revenue during the three months ended September 30, 2017, primarily driven by strength in the Australian dollar and Indian rupee, partially offset by weakness in the Japanese yen.

Cost of services increased by $53.2 million, or 20.3%, for the three months ended September 30, 2017 as compared to the same period in 2016, driven by higher costs associated with our occupier outsourcing business. Also contributing to the variance was higher commission expense resulting from improved sales and lease transaction revenue. In addition, foreign currency translation had a $2.3 million negative impact on cost of services during the three months ended September 30, 2017. Cost of services as a percentage of revenue decreased from

72.5% for the three months ended September 30, 2016 to 71.5% for the three months ended September 30, 2017, partly due to higher transaction revenue in certain countries that have a fixed compensation structure.

Operating, administrative and other expenses increased by $10.0 million, or 13.7%, for the three months ended September 30, 2017 as compared to the same period in 2016. We incurred higher payroll-related costs (including increased stock compensation and bonus expense due to improved operating performance) in the current year quarter. This was partially offset by foreign currency activity, which had an overall net positive impact of $1.2 million for the three months ended September 30, 2017, due to favorable foreign currency transaction activity of $1.6 million, mostly related to hedging, partly offset by a $0.4 million negative impact from foreign currency translation.

Global Investment Management

Revenue was consistent at $92.1 million for the three months ended September 30, 2017 and $91.8 million for the three months ended September 30, 2016. Foreign currency translation had a $1.1 million positive impact on total revenue during the three months ended September 30, 2017, primarily driven by strength in the euro.

Operating, administrative and other expenses decreased by $10.1 million, or 11.7%, for the three months ended September 30, 2017 as compared to the same period in 2016, primarily driven by the impact of $15.6 million of costs incurred in the third quarter of 2016 in connection with our cost-elimination project that did not recur in the current year. Foreign currency had a net $0.3 million negative impact on total operating expenses during the three months ended September 30, 2017, which included a $0.9 million negative impact from foreign currency translation, partially offset by $0.6 million of favorable foreign currency transaction activity over the same period in the prior year, part of which related to hedging activities. These items were partially offset by higher carried interest expense incurred during the three months ended September 30, 2017.

A roll forward of our AUM by product type for the three months ended September 30, 2017 is as follows (dollars in billions):

	Funds	Separate Accounts	Securities	Total
Balance at July 1, 2017	$ 33.4	$ 42.2	$ 16.1	$ 91.7
Inflows	1.5	9.5	0.3	11.3
Outflows	(0.7)	(0.8)	(1.6)	(3.1)
Market (depreciation) appreciation	(2.6)	0.8	0.2	(1.6)
Balance at September 30, 2017	$ 31.6	$ 51.7	$ 15.0	$ 98.3

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.

Development Services

Revenue decreased by $2.0 million, or 12.4%, for the three months ended September 30, 2017 as compared to the same period in 2016, primarily driven by lower rental revenue and development fees.

Operating, administrative and other expenses increased by $19.9 million, or 73.9%, for the three months ended September 30, 2017 as compared to the same period in 2016. This increase was primarily driven by higher bonuses in the current three months due to improved operating performance (property sales reflected in equity income from unconsolidated subsidiaries were significantly higher in the current-year quarter).

As of September 30, 2017, development projects in process totaled $5.9 billion, down $1.2 billion from the third quarter of 2016. The development pipeline totaled $5.4 billion, up $1.7 billion over the third quarter of 2016.

Nine Months Ended September 30, 2017 Compared to the Nine Months Ended September 30, 2016

Americas

Revenue increased by $375.4 million, or 7.3%, for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016. The revenue increase reflects strong organic growth fueled by higher occupier outsourcing and property management revenue and improved sales and leasing activity as well as higher loan servicing revenue. Foreign currency translation had a $2.1 million positive impact on revenue during the nine months ended September 30, 2017, primarily driven by strength in the Brazilian real and the Canadian dollar, partially offset by weakness in the Mexican peso and Venezuelan bolivar.

Cost of services increased by $253.6 million, or 7.1%, for the nine months ended September 30, 2017 as compared to the same period in 2016, primarily due to higher costs associated with our occupier outsourcing business and higher professional bonuses in the United States. Also contributing to the variance was higher commission expense resulting from improved sales and lease transaction revenue. Foreign currency translation had a $0.1 million negative impact on cost of services during the nine months ended September 30, 2017. These items were partially offset by the impact of $11.9 million of costs incurred in the prior-year period in connection with our cost-elimination project that did not recur in the current year. Cost of services as a percentage of revenue was relatively consistent at 69.9% for the nine months ended September 30, 2016 and 69.7% for the nine months ended September 30, 2017, with the impact of higher professional bonuses in the current year offset by the impact of cost-elimination project costs that were only incurred in the prior year.

Operating, administrative and other expenses increased by $19.0 million, or 1.9%, for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. The increase was partly driven by higher payroll-related costs (including an increase in bonus and stock compensation expense due to improved operating performance). Foreign currency also had a $6.9 million negative impact on total operating expenses during the nine months ended September 30, 2017, which included a negative impact from foreign currency translation of $2.0 million and unfavorable foreign currency transaction activity, mostly hedging related, of $4.9 million. These increases were partially offset by a decrease of $29.5 million in integration and other costs related to the GWS Acquisition incurred during the nine months ended September 30, 2017 as well as the impact of $10.4 million of costs incurred during the nine months ended September 30, 2016 as part of our cost-elimination project, which did not recur in the current year.

For the nine months ended September 30, 2017, MSRs contributed to operating income $96.0 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $72.5 million of amortization of related intangible assets. For the nine months ended September 30, 2016, MSRs contributed to operating income $104.0 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $52.8 million of amortization of related intangible assets.

EMEA

Revenue increased by $89.6 million, or 3.3%, for the nine months ended September 30, 2017 as compared to the same period in 2016. We achieved strong organic growth fueled by higher occupier outsourcing and property management revenue, as well as higher sales and leasing activity. Such growth was partially offset by foreign currency translation, which had a $125.5 million negative impact on total revenue during the nine months ended September 30, 2017, primarily driven by weakness in the British pound sterling.

Cost of services increased by $33.1 million, or 1.5%, for the nine months ended September 30, 2017 as compared to the same period in 2016, primarily due to higher costs associated with our occupier outsourcing business and higher professional bonuses, particularly in the United Kingdom resulting from improved operating performance. These items were partly offset by foreign currency translation, which had a $101.4 million positive impact on cost of services. In addition, we incurred $18.8 million of costs in the prior-year period in connection with our cost-elimination project that did not recur in the current year. The absence of such costs contributed to cost of services as a percentage of revenue decreasing from 79.1% for the nine months ended September 30, 2016 to 77.8% for the nine months ended September 30, 2017. In addition, higher transaction revenue in certain countries that have a fixed compensation structure also contributed to the decline in cost of services as a percentage of revenue.

Operating, administrative and other expenses decreased by $6.8 million, or 1.4%, for the nine months ended September 30, 2017 as compared to the same period in 2016. This decrease was primarily driven by a decrease of $12.7 million in integration and other costs related to the GWS Acquisition incurred during the nine months ended September 30, 2017 as well as the impact of $6.8 million of costs incurred during the nine months ended September 30, 2016 as part of our cost-elimination project, which did not recur in the current year. Foreign currency also had a $16.0 million net positive impact on total operating expenses during the nine months ended September 30, 2017, including a $19.7 million positive impact from foreign currency translation, partially offset by $3.7 million of unfavorable foreign currency transaction activity, part of which related to hedging activities. These favorable items were partially offset by higher payroll-related costs, including increased bonus and stock compensation expense due to improved operating performance during the nine months ended September 30, 2017.

Asia Pacific

Revenue increased by $169.9 million, or 16.5%, for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. The revenue increase reflects strong organic growth, fueled by higher occupier outsourcing and property management revenue as well as improved sales and leasing activity. In addition, foreign currency translation had a $3.5 million positive impact on total revenue during the nine months ended September 30, 2017, primarily driven by strength in the Australian dollar and Indian rupee, largely offset by weakness in the Chinese yuan and Japanese yen.

Cost of services increased by $111.7 million, or 14.8%, for the nine months ended September 30, 2017 as compared to the same period in 2016, driven by higher costs associated with our occupier outsourcing business. Also contributing to the variance was higher commission expense resulting from improved sales and lease transaction revenue. In addition, foreign currency translation had a $2.1 million negative impact on cost of services during the nine months ended September 30, 2017. These items were partially offset by the impact of $6.4 million of costs incurred during the nine months ended September 30, 2016 in connection with our cost-elimination project that did not recur in the current year. The absence of such costs contributed to cost of services as a percentage of revenue decreasing from 73.2% for the nine months ended September 30, 2016 to 72.2% for the nine months ended September 30, 2017.

Operating, administrative and other expenses increased by $10.7 million, or 4.9%, for the nine months ended September 30, 2017 as compared to the same period in 2016. We incurred higher payroll-related costs (including increased stock compensation and bonus expense due to improved operating performance) during the nine months ended September 30, 2017. This was partially offset by a decrease of $4.4 million in integration and other costs related to the GWS Acquisition incurred during the nine months ended September 30, 2017 as well as the impact of $2.9 million of costs incurred during the nine months ended September 30, 2016 as part of our cost-elimination project, which did not recur in the current year. Foreign currency activity also had an overall net positive impact of $8.0 million for the nine months ended September 30, 2017, due to favorable foreign currency transaction activity of

$8.7 million, mostly related to hedging, partially offset by a $0.7 million negative impact from foreign currency translation.

Global Investment Management

Revenue decreased by $3.5 million, or 1.3%, for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. Foreign currency translation had a $6.0 million negative impact on total revenue during the nine months ended September 30, 2017, primarily driven by weakness in the British pound sterling. This, coupled with lower asset management fees, was mostly offset by higher carried interest revenue in the current nine months.

Operating, administrative and other expenses decreased by $33.3 million, or 14.3%, for the nine months ended September 30, 2017 as compared to the same period in 2016, primarily driven by the impact of $21.3 million of costs incurred in the nine months ended September 30, 2016 in connection with our cost-elimination project that did not recur in the current year. In addition, lower carried interest expense as well as lower payroll-related costs (including bonuses) contributed to the variance. Lastly, foreign currency had a $4.3 million positive impact on total operating expenses during the nine months ended September 30, 2017, which included a $3.9 million positive impact from foreign currency translation and $0.4 million of favorable foreign currency transaction activity over the same period in the prior year, part of which related to hedging activities.

A roll forward of our AUM by product type for the nine months ended September 30, 2017 is as follows (dollars in billions):

	Funds	Separate Accounts	Securities	Total
Balance at December 31, 2016	$ 31.6	$ 37.5	$ 17.5	$ 86.6
Inflows	4.0	13.7	1.3	19.0
Outflows	(4.7)	(3.3)	(4.6)	(12.6)
Market appreciation	0.7	3.8	0.8	5.3
Balance at September 30, 2017	$ 31.6	$ 51.7	$ 15.0	$ 98.3

We describe above how we calculate AUM. Also as noted above, 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.

Development Services

Revenue decreased by $5.9 million, or 11.4%, for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016, primarily driven by lower incentive and development fees in the current nine months.

Operating, administrative and other expenses increased by $23.5 million, or 25.6%, for the nine months ended September 30, 2017 as compared to the same period in 2016. This increase was primarily driven by higher payroll-related costs, including increased bonus expense in the current nine months due to improved operating performance (property sales reflected in equity income from unconsolidated subsidiaries were significantly higher in the current-year period).

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 2017 include up to approximately $160 million of anticipated capital expenditures, net of tenant concessions. During the nine months ended September 30, 2017, we incurred $86.9 million of capital expenditures, net of tenant concessions received. As of September 30, 2017, we had aggregate commitments of $33.5 million to fund future co-investments in our Global Investment Management business, $6.9 million of which is expected to be funded in 2017.

Additionally, as of September 30, 2017, we are committed to fund $20.4 million of additional capital to unconsolidated subsidiaries within our Development Services business, which we may be required to fund at any time. As of September 30, 2017, we had $2.8 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 September 30, 2017 and December 31, 2016, we had accrued $73.2 million ($20.8 million of which was a current liability) and $91.0 million ($29.3 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 million of our Class A common stock over three years. The timing of the repurchase and the actual amount repurchased will depend on a variety of factors, including the market price of our common stock, general market and economic conditions and other factors. We intend to fund the repurchases, if any, with cash on hand or borrowings under our revolving credit facility. As of September 30, 2017, the authorization remains unused.

Historical Cash Flows

Operating Activities

Net cash provided by operating activities totaled $247.3 million for the nine months ended September 30, 2017, as compared to net cash used in operating activities of $53.2 million for the nine months ended September 30, 2016. The increase in net cash provided by operating activities was primarily due to improved operating performance, lower net payments to vendors and lower net income taxes paid during the nine months ended September 30, 2017. These items were partially offset by higher net receivables recorded in the current year.

Investing Activities

Net cash used in investing activities was comparable at $33.8 million for the nine months ended September 30, 2017 versus $39.6 million for the nine months ended September 30, 2016.

Financing Activities

Net cash used in financing activities totaled $44.2 million for the nine months ended September 30, 2017, an increase of $43.3 million as compared to the nine months ended September 30, 2016. The increase was primarily due to lower net borrowings under our revolving credit facility during the nine months ended September 30, 2017, partially offset by the impact of repayments of senior term loans, which did not recur in the current year.

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 January 9, 2015, CBRE Services entered into our 2015 Credit Agreement with a syndicate of banks jointly led by Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC and Credit Suisse AG. On March 21, 2016, CBRE Services executed an amendment to our 2015 Credit Agreement that, among other things, extended the maturity on our revolving credit facility to March 2021 and increased the borrowing capacity under the revolving credit facility by $200.0 million.

Our 2015 Credit Agreement was an unsecured credit facility that was jointly and severally guaranteed by us and substantially all of our material domestic subsidiaries. Our 2015 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 maturity date of March 21, 2021; (2) a $500.0 million tranche A term loan facility requiring quarterly principal payments, which began on June 30, 2015 and would have continued through maturity on January 9, 2020; (3) a $270.0 million tranche B-1 term loan facility requiring quarterly principal payments, which began on December 31, 2015 and would have continued through maturity on September 3, 2020; and (4) a $130.0 million tranche B-2 term loan facility requiring quarterly principal payments, which began on December 31, 2015 and would have continued through maturity on September 3, 2022. On November 1, 2016, we prepaid a total of $101.9 million of the 2017 and 2018 required amortization on our senior term loans, which included $59.4 million for the tranche A term loan facility, $28.7 million for the tranche B-1 term loan facility and $13.8 million for the tranche B-2 term loan facility.

On October 31, 2017, CBRE Services entered into a new Credit Agreement (2017 Credit Agreement), which refinanced and replaced our 2015 Credit Agreement.

Our 2017 Credit Agreement is a senior unsecured credit facility that is jointly and severally guaranteed by us and certain of our subsidiaries. Our 2017 Credit Agreement provides for the following credit facilities:

- a $750.0 million delayed draw tranche A term loan facility; and
- a revolving credit facility of up to $2.8 billion (including an allowance for borrowings outside of the U.S.), which includes the capacity to obtain letters of credit and swingline loans and matures on October 31, 2022.

On October 31, 2017, CBRE Services made an initial borrowing of (1) $200.0 million under the tranche A term loan facility (with the remaining $550.0 million available to be drawn under the tranche A term loan facility on one additional occasion on any date on or prior to July 31, 2018) and (2) $83.0 million under the revolving credit facility. These proceeds, in addition to cash on hand, were used to repay all amounts outstanding under our 2015 Credit Agreement. For additional information on our 2017 Credit Agreement, see Note 12 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report.

In prior years, we also issued 5.00%, 4.875% and 5.25% senior notes that are due in 2023, 2026 and 2025, respectively. For additional information on all of our long-term debt, see Note 10 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, 2016 and Note 7 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 our 2017 Credit Agreement and warehouse lines of credit with certain third-party lenders. For additional information on all of our short-term borrowings, see Note 10 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, 2016 and Notes 3, 7 and 12 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report.

Interest Rate Swap Agreements

In March 2011, we entered into five interest rate swap agreements, all with effective dates in October 2011, and immediately designated them as cash flow hedges in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 815, " *Derivatives and Hedging*." The purpose of these interest rate swap agreements is to attempt to hedge potential changes to our cash flows due to the variable interest nature of our senior term loan facilities. The total notional amount of these interest rate swap agreements at September 30, 2017 was $400.0 million, with $200.0 million having expired on October 2, 2017 and $200.0 million expiring in September 2019. As of September 30, 2017 and December 31, 2016, the fair values of such interest rate swap agreements were reflected as a $6.6 million liability and a $13.2 million liability, respectively, and were included in other current and long-term liabilities in the accompanying consolidated balance sheets set forth in Item 1 of this Quarterly Report.

In July 2015, we entered into three interest rate swap agreements with an aggregate notional amount of $300.0 million, all with effective dates in August 2015, and designated them as cash flow hedges in accordance with FASB ASC Topic 815. In August 2015, we elected to terminate these agreements and paid a $6.2 million cash settlement, which has been recorded to accumulated other comprehensive loss in the accompanying consolidated balance sheets set forth in Item 1 of this Quarterly Report. This settlement fee is being amortized to interest expense throughout the remaining term of the terminated hedge transaction until August 2025.

Off –Balance Sheet Arrangements

Our off-balance sheet arrangements are described in Note 8 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 uncertainty surrounding the implementation and effect of the United Kingdom's referendum to leave the European Union, including uncertainty in relation to the legal and regulatory framework that would apply to the United Kingdom and its relationship with the remaining members of the European Union;
- 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;
- 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 Global Investment Management business to maintain and grow assets undermanagement 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;
- changes in domestic and international law and regulatory environments (including relating to anti-corruption, anti-money laundering, trade sanctions, 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;
- our ability to maintain our effective tax rate at or below current levels;
- changes in applicable tax or accounting requirements, including potential tax reform under the current U.S. administration;
- the effect of implementation of new accounting rules and standards; and
- the other factors described elsewhere in this Quarterly Report, 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, 2016, 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.

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 Securities and Exchange Commission.

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, 2016.

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 $750.8 million at September 30, 2017. Based on dealers' quotes, the estimated fair values of our 5.00% senior notes, 4.875% senior notes and 5.25% senior notes were $829.1 million, $646.6 million and $463.4 million, respectively, at September 30, 2017.

We utilize sensitivity analyses to assess the potential effect of our variable rate debt. If interest rates were to increase 100 basis points on our outstanding variable rate debt at September 30, 2017, excluding notes payable on real estate, the net impact of the additional interest cost would be a decrease of $2.6 million on pre-tax income and a decrease of $2.6 million in cash provided by operating activities for the nine months ended September 30, 2017.

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 Deputy Chief Financial Officer and Chief Accounting Officer and other members of our Disclosure Committee. In addition to our Deputy Chief Financial Officer and Chief Accounting Officer, our Disclosure Committee consists of our General Counsel, our chief communication officer, our corporate controller, our head of Global Assurance and Advisory, 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 September 30, 2017 to accomplish their objectives at the reasonable assurance level.

Changes in Internal Controls Over Financial Reporting

No changes in our internal control over financial reporting occurred during the fiscal quarter ended September 30, 2017 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, 2016.

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, 2016.

Item 6. Exhibits

		Incorporated by Reference				
Exhibit No.	Exhibit Description	Form	SEC File No.	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of CBRE Group, Inc.	8-K	001-32205	3.1	05/19/2016	
3.2	Amended and Restated By-Laws of CBRE Group, Inc.	10-Q	001-32205	3.2	05/10/2017	
4.1	Form of Class A common stock certificate of CBRE Group, Inc.	10-Q	001-32205	4.1	08/08/2017	
4.2(a)	Indenture, dated as of March 14, 2013, among CBRE Group, Inc., CBRE Services, Inc., certain subsidiaries of CBRE Services, Inc. and Wells Fargo Bank, National Association, as trustee	10-Q	001-32205	4.4(a)	05/10/2013	
4.2(b)	First Supplemental Indenture, dated as of March 14, 2013, between CBRE Services, Inc., CBRE Group, Inc., certain subsidiaries of CBRE Services, Inc. and Wells Fargo Bank, National Association, as trustee, for the 5.00% Senior Notes Due 2023, including the Form of 5.00% Senior Notes due 2023	10-Q	001-32205	4.4(b)	05/10/2013	
4.2(c)	Form of Supplemental Indenture among certain subsidiary guarantors of CBRE Services, Inc., CBRE Services, Inc. and Wells Fargo Bank, National Association, as trustee, for the 5.00% Senior Notes due 2023	8-K	001-32205	4.3	04/16/2013	
4.2(d)	Second Supplemental Indenture, dated as of April 10, 2013, between CBRE/LJM- Nevada, Inc., CBRE Consulting, Inc., CBRE Services, Inc. and Wells Fargo Bank, National Association, as trustee, for the 5.00% Senior Notes due 2023	S-3ASR	333-201126	4.3(c)	12/19/2014	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	SEC File No.	Exhibit	Filing Date	
4.2(e)	Second Supplemental Indenture, dated as of September 26, 2014, between CBRE Services, Inc., CBRE Group, Inc., certain subsidiaries of CBRE Services, Inc. and Wells Fargo Bank, National Association, as trustee, for the 5.25% Senior Notes due 2025, including the Form of 5.25% Senior Notes due 2025	8-K	001-32205	4.1	09/26/2014	
4.2(f)	Third Supplemental Indenture, dated as of December 12, 2014, between CBRE Services, Inc., CBRE Group, Inc., certain subsidiaries of CBRE Services, Inc. and Wells Fargo Bank, National Association, as trustee, for the additional issuance of 5.25% Senior Notes due 2025	8-K	001-32205	4.1	12/12/2014	
4.2(g)	Form of Supplemental Indenture among certain subsidiary guarantors of CBRE Services, Inc., CBRE Services, Inc. and Wells Fargo Bank, National Association, as trustee, for the 5.25% Senior Notes due 2025	S-3ASR	333-201126	4.3(h)	12/19/2014	
4.2(h)	Fourth Supplemental Indenture, dated as of August 13, 2015, between CBRE Services, Inc., CBRE Group, Inc., certain subsidiaries of CBRE Services, Inc. and Wells Fargo Bank, National Association, as trustee, for the issuance of 4.875% Senior Notes due 2026, including the Form of 4.875% Senior Notes due 2026	8-K	001-32205	4.2	08/13/2015	
4.2(i)	Fifth Supplemental Indenture, dated as of September 25, 2015, between CBRE GWS LLC, CBRE Services, Inc. and Wells Fargo Bank, National Association, as trustee, relating to the 5.00% Senior Notes due 2023, the 5.25% Senior Notes due 2025 and the 4.875% Senior Notes due 2026	8-K	001-32205	4.1	09/25/2015	
11	Statement concerning Computation of Per Share Earnings (filed as Note 9 of the Consolidated Financial Statements)					X
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 Form	SEC File No.	Exhibit	Filing Date	Filed Herewith
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

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: November 9, 2017	/s/ James R. Groch James R. Groch *Chief Financial Officer (principal financial officer)*
Date: November 9, 2017	/s/ Gil Borok Gil Borok *Chief Accounting Officer (principal accounting officer)*

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: November 9, 2017

/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: November 9, 2017

/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 September 30, 2017, 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: November 9, 2017

/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.