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 June 30, 2021

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	**94-3391143**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2100 McKinney Avenue, Suite 1250 Dallas, Texas	**75201**
(Address of principal executive offices)	**(Zip Code)**

(214) 979-6100
(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

The number of shares of Class A common stock outstanding at July 23, 2021 was 335,736,404.

FORM 10-Q
June 30, 2021

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

	June 30, 2021	December 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,142,820	$ 1,896,188
Restricted cash	113,989	143,059
Receivables, less allowance for doubtful accounts of $ 95,184 and $ 95,533 at June 30, 2021 and December 31, 2020, respectively	4,426,189	4,394,954
Warehouse receivables	1,117,677	1,411,170
Prepaid expenses	327,562	294,992
Contract assets	322,889	318,191
Income taxes receivable	114,417	93,756
Other current assets	321,346	293,321
Total Current Assets	8,886,889	8,845,631
Property and equipment, net	741,946	815,009
Goodwill	3,892,134	3,821,609
Other intangible assets, net of accumulated amortization of $ 1,656,750 and $ 1,556,537 at June 30, 2021 and December 31, 2020, respectively	1,345,143	1,367,913
Operating lease assets	1,001,608	1,020,352
Investments in unconsolidated subsidiaries (with $ 361,143 and $ 116,314 at fair value at June 30, 2021 and December 31, 2020, respectively)	747,608	452,365
Non-current contract assets	138,025	153,636
Real estate under development	308,431	277,630
Non-current income taxes receivable	19,287	43,555
Deferred tax assets, net	93,337	91,529
Investments held in trust - special purpose acquisition company	402,511	402,501
Other assets, net	881,433	747,413
Total Assets	$ 18,458,352	$ 18,039,143
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 2,485,081	$ 2,692,939
Compensation and employee benefits payable	1,269,837	1,287,383
Accrued bonus and profit sharing	877,204	1,183,786
Operating lease liabilities	216,879	208,526
Contract liabilities	197,402	162,045
Income taxes payable	109,586	57,892
Warehouse lines of credit (which fund loans that U.S. Government Sponsored Enterprises have committed to purchase)	1,102,156	1,383,964
Other short-term borrowings	5,561	5,330
Current maturities of long-term debt	1,181	1,514
Other current liabilities	133,094	160,604
Total Current Liabilities	6,397,981	7,143,983
Long-term debt, net of current maturities	1,854,327	1,380,202
Non-current operating lease liabilities	1,071,499	1,116,795
Non-current tax liabilities	99,807	87,954
Non-current income taxes payable	54,761	54,761
Deferred tax liabilities, net	145,928	124,485
Other liabilities	710,862	625,303
Total Liabilities	10,335,165	10,533,483
Commitments and contingencies	—	—
Non-controlling interest subject to possible redemption - special purpose acquisition company	402,511	385,573
Equity:		
CBRE Group, Inc. Stockholders' Equity:		
Class A common stock; $0.01 par value; 525,000,000 shares authorized; 335,706,818 and 335,561,345 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	3,357	3,356
Additional paid-in capital	1,001,832	1,074,639
Accumulated earnings	7,238,896	6,530,057
Accumulated other comprehensive loss	(564,564)	(529,726)
Total CBRE Group, Inc. Stockholders' Equity	7,679,521	7,078,326
Non-controlling interests	41,155	41,761
Total Equity	7,720,676	7,120,087
Total Liabilities and Equity	$ 18,458,352	$ 18,039,143

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	$ 6,458,613	$ 5,381,384	$ 12,397,492	$ 11,270,552
Costs and expenses:				
Cost of revenue	5,016,759	4,399,537	9,736,305	9,112,211
Operating, administrative and other	957,216	770,806	1,785,543	1,560,872
Depreciation and amortization	119,085	116,384	241,163	230,178
Asset impairments	—	—	—	75,171
Total costs and expenses	6,093,060	5,286,727	11,763,011	10,978,432
Gain (loss) on disposition of real estate	929	(492)	1,085	22,335
Operating income	366,482	94,165	635,566	314,455
Equity income from unconsolidated subsidiaries	212,132	19,480	295,726	40,111
Other income	12,045	5,220	14,777	5,027
Interest expense, net of interest income	13,772	17,950	23,878	33,966
Income before provision for income taxes	576,887	100,915	922,191	325,627
Provision for income taxes	133,445	18,803	209,772	69,985
Net income	443,442	82,112	712,419	255,642
Less: Net income attributable to non-controlling interests	805	215	3,580	1,550
Net income attributable to CBRE Group, Inc.	$ 442,637	$ 81,897	$ 708,839	$ 254,092
Basic income per share:				
Net income per share attributable to CBRE Group, Inc.	$ 1.32	$ 0.24	$ 2.11	$ 0.76
Weighted average shares outstanding for basic income per share	335,643,233	335,126,126	335,751,530	335,048,115
Diluted income per share:				
Net income per share attributable to CBRE Group, Inc.	$ 1.30	$ 0.24	$ 2.09	$ 0.75
Weighted average shares outstanding for diluted income per share	339,502,871	337,361,419	339,541,354	338,549,805

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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	$ 443,442	$ 82,112	$ 712,419	$ 255,642
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	18,402	25,936	(33,944)	(146,438)
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	107	100	214	214
Unrealized holding (losses) gains on available for sale debt securities, net of tax	(508)	(409)	(1,186)	500
Other, net	—	(13,045)	—	(13,045)
Total other comprehensive income (loss)	18,001	12,582	(34,916)	(158,769)
Comprehensive income	461,443	94,694	677,503	96,873
Less: Comprehensive income attributable to non-controlling interests	835	275	3,502	1,550
Comprehensive income attributable to CBRE Group, Inc.	$ 460,608	$ 94,419	$ 674,001	$ 95,323

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

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

	Six Months Ended June 30,	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 712,419	$ 255,642
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	241,163	230,178
Amortization of financing costs	3,317	3,082
Gains related to mortgage servicing rights, premiums on loan sales and sales of other assets	(132,004)	(105,697)
Asset impairments	—	75,171
Net realized and unrealized gains, primarily from investments	(14,777)	(5,027)
Provision for doubtful accounts	12,789	29,923
Net compensation expense for equity awards	85,233	19,704
Equity income from unconsolidated subsidiaries	(295,726)	(40,111)
Distribution of earnings from unconsolidated subsidiaries	232,627	52,664
Proceeds from sale of mortgage loans	7,902,512	7,421,127
Origination of mortgage loans	(7,578,056)	(7,162,747)
Decrease in warehouse lines of credit	(281,808)	(223,281)
Tenant concessions received	12,874	23,384
Purchase of equity securities	(3,896)	(6,627)
Proceeds from sale of equity securities	5,488	8,909
(Increase) decrease in real estate under development	(27,894)	701
(Increase) decrease in receivables, prepaid expenses and other assets (including contract and lease assets)	(100,368)	276,065
Decrease in accounts payable and accrued expenses and other liabilities (including contract and lease liabilities)	(275,591)	(112,173)
Decrease in compensation and employee benefits payable and accrued bonus and profit sharing	(359,365)	(816,621)
Decrease in net income taxes receivable/payable	83,325	125,361
Other operating activities, net	4,856	(25,473)
Net cash provided by operating activities	227,118	24,154
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(75,944)	(134,149)
Acquisition of businesses, including net assets acquired, intangibles and goodwill, net of cash acquired	(57,920)	(25,911)
Contributions to unconsolidated subsidiaries	(245,714)	(51,168)
Distributions from unconsolidated subsidiaries	36,207	63,972
Other investing activities, net	(1,120)	11,314
Net cash used in investing activities	(344,491)	(135,942)

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

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

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facility	—	835,671
Repayment of revolving credit facility	—	(384,671)
Proceeds from notes payable on real estate	48,548	22,705
Proceeds from issuance of 2.500% senior notes	492,255	—
Repurchase of common stock	(88,275)	(50,028)
Acquisition of businesses (cash paid for acquisitions more than three months after purchase date)	(3,421)	(6,839)
Units repurchased for payment of taxes on equity awards	(36,275)	(37,358)
Non-controlling interest contributions	527	1,428
Non-controlling interest distributions	(3,377)	(1,092)
Other financing activities, net	(30,958)	(20,944)
Net cash provided by financing activities	379,024	358,872
Effect of currency exchange rate changes on cash and cash equivalents and restricted cash	(44,089)	(27,095)
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	217,562	219,989
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, AT BEGINNING OF PERIOD	2,039,247	1,093,745
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, AT END OF PERIOD	$ 2,256,809	$ 1,313,734
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 16,212	$ 31,145
Income tax payments (refunds), net	$ 131,156	$ (53,829)

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

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

	CBRE Group, Inc. Stockholders'					
	Class A common stock	Additional paid-in capital	Accumulated earnings	Accumulated other comprehensive loss	Non-controlling interests	Total
Balance at March 31, 2021	$ 3,359	$ 1,013,287	$ 6,796,259	$ (582,535)	$ 41,014	$ 7,271,384
Net income	—	—	442,637	—	805	443,442
Net compensation expense for equity awards	—	49,447	—	—	—	49,447
Units repurchased for payment of taxes on equity awards	—	(1,392)	—	—	—	(1,392)
Repurchase of common stock	(3)	(24,130)	—	—	—	(24,133)
Foreign currency translation gain	—	—	—	18,372	30	18,402
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	—	—	—	107	—	107
Unrealized holding losses on available for sale debt securities, net of tax	—	—	—	(508)	—	(508)
Contributions from non-controlling interests	—	—	—	—	455	455
Distributions to non-controlling interests	—	—	—	—	(725)	(725)
Other	1	(35,380)	—	—	(424)	(35,803)
Balance at June 30, 2021	$ 3,357	$ 1,001,832	$ 7,238,896	$ (564,564)	$ 41,155	$ 7,720,676

	CBRE Group, Inc. Stockholders'					
	Class A common stock	Additional paid-in capital	Accumulated earnings	Accumulated other comprehensive loss	Non-controlling interests	Total
Balance at March 31, 2020	$ 3,351	$ 1,026,768	$ 5,950,263	$ (851,039)	$ 40,204	$ 6,169,547
Net income	—	—	81,897	—	215	82,112
Net compensation expense for equity awards	—	20,943	—	—	—	20,943
Units repurchased for payment of taxes on equity awards	—	(485)	—	—	—	(485)
Foreign currency translation gain	—	—	—	25,876	60	25,936
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	—	—	—	100	—	100
Unrealized holding losses on available for sale debt securities, net of tax	—	—	—	(409)	—	(409)
Contributions from non-controlling interests	—	—	—	—	806	806
Distributions to non-controlling interests	—	—	—	—	(595)	(595)
Other	1	(227)	—	(13,045)	367	(12,904)
Balance at June 30, 2020	$ 3,352	$ 1,046,999	$ 6,032,160	$ (838,517)	$ 41,057	$ 6,285,051

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

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

	CBRE Group, Inc. Stockholders'					
	Class A common stock	Additional paid-in capital	Accumulated earnings	Accumulated other comprehensive loss	Non-controlling interests	Total
Balance at December 31, 2020	$ 3,356	$ 1,074,639	$ 6,530,057	$ (529,726)	$ 41,761	$ 7,120,087
Net income	—	—	708,839	—	3,580	712,419
Net compensation expense for equity awards	—	85,233	—	—	—	85,233
Units repurchased for payment of taxes on equity awards	—	(36,275)	—	—	—	(36,275)
Repurchase of common stock	(11)	(88,264)	—	—	—	(88,275)
Foreign currency translation loss	—	—	—	(33,866)	(78)	(33,944)
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	—	—	—	214	—	214
Unrealized holding losses on available for sale debt securities, net of tax	—	—	—	(1,186)	—	(1,186)
Contributions from non-controlling interests	—	—	—	—	527	527
Distributions to non-controlling interests	—	—	—	—	(3,377)	(3,377)
Other	12	(33,501)	—	—	(1,258)	(34,747)
Balance at June 30, 2021	$ 3,357	$ 1,001,832	$ 7,238,896	$ (564,564)	$ 41,155	$ 7,720,676

	CBRE Group, Inc. Stockholders'					
	Class A common stock	Additional paid-in capital	Accumulated earnings	Accumulated other comprehensive loss	Non-controlling interests	Total
Balance at December 31, 2019	$ 3,348	$ 1,115,944	$ 5,793,149	$ (679,748)	$ 40,419	$ 6,273,112
Net income	—	—	254,092	—	1,550	255,642
Net compensation expense for equity awards	—	19,704	—	—	—	19,704
Units repurchased for payment of taxes on equity awards	—	(37,358)	—	—	—	(37,358)
Repurchase of common stock	(11)	(50,017)	—	—	—	(50,028)
Foreign currency translation loss	—	—	—	(146,438)	—	(146,438)
Amounts reclassified from accumulated other comprehensive loss to interest expense, net of tax	—	—	—	214	—	214
Unrealized holding gains on available for sale debt securities, net of tax	—	—	—	500	—	500
Contributions from non-controlling interests	—	—	—	—	1,428	1,428
Distributions to non-controlling interests	—	—	—	—	(1,092)	(1,092)
Other	15	(1,274)	(15,081)	(13,045)	(1,248)	(30,633)
Balance at June 30, 2020	$ 3,352	$ 1,046,999	$ 6,032,160	$ (838,517)	$ 41,057	$ 6,285,051

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, 2020, which are included in our 2020 Annual Report on Form 10-K (2020 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 2020 Annual Report for further discussion of our significant accounting policies and estimates.

Considerations Related to the Covid-19 Pandemic

The Covid-19 pandemic has primarily impacted the property sales and leasing lines of business in the Advisory Services segment. Many property owners and occupiers put transactions on hold and withdrew existing mandates, sharply reducing sales and leasing volumes. The effects of Covid-19 have eased in parts of the world where progress has been made with vaccine distribution and global economic conditions have improved. Nevertheless Covid-19 continues to pose public health challenges that impact our operations, particularly as new strains emerge and spread and vaccine administration is slow in parts of the world. As of the date of this Quarterly Report, the majority of workers remain out of their offices and occupier confidence in making long-term office leasing decisions has not returned to pre-pandemic levels.

See Note 5 (Fair Value Measurements) and Note 10 (Commitments and Contingencies) for further discussion of Covid-19 considerations.

Financial Statement Preparation

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, including the impact Covid-19 may have on our business. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported and reported amounts of revenue and expenses. Such estimates include the value of goodwill, intangibles and other long-lived assets, real estate assets, accounts receivable, contract assets, operating lease assets, investments in unconsolidated subsidiaries and assumptions used in the calculation of income taxes, retirement and other post-employment benefits, among others. These estimates and assumptions are based on our best judgment. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, including consideration of the current economic environment, and adjust such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in these estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

Certain reclassifications have been made to the 2020 financial statements to conform with the 2021 presentation.

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

2. New Accounting Pronouncements

Recent Accounting Pronouncements Pending Adoption

In March 2020 and January 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-04, "*Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*" and ASU 2021-01, "*Reference Rate Reform: Scope,*" respectively. Together, the ASUs provide temporary optional expedients and exceptions to the U.S. GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. This guidance is effective for a limited time for all entities through December 31, 2022. We are evaluating the effect that this guidance 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. The warehouse lines of credit are generally repaid within a one-month period when Freddie Mac or Fannie Mae buys the loans or upon settlement of the Fannie Mae or Ginnie Mae MBS, while we retain the servicing rights. Loans are funded at the prevailing market rates. We elect the fair value option for all warehouse receivables. At June 30, 2021 and December 31, 2020, all of the warehouse receivables included in the accompanying consolidated balance sheets were either under commitment to be purchased by Freddie Mac or had confirmed forward trade commitments for the issuance and purchase of Fannie Mae or Ginnie Mae mortgage-backed securities that will be secured by the underlying loans.

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

Beginning balance at December 31, 2020	$	1,411,170
Origination of mortgage loans		7,578,056
Gains (premiums on loan sales)		41,855
Proceeds from sale of mortgage loans:		
Sale of mortgage loans		(7,860,657)
Cash collections of premiums on loan sales		(41,855)
Proceeds from sale of mortgage loans		(7,902,512)
Net decrease in mortgage servicing rights included in warehouse receivables		(10,892)
Ending balance at June 30, 2021	$	1,117,677

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

The following table is a summary of our warehouse lines of credit in place as of June 30, 2021 and December 31, 2020 (dollars in thousands):

			June 30, 2021		December 31, 2020	
Lender	**Current Maturity**	**Pricing**	**Maximum Facility Size**	**Carrying Value**	**Maximum Facility Size**	**Carrying Value**
JP Morgan Chase Bank, N.A. (JP Morgan) (1)	10/18/2021	daily floating rate LIBOR plus 1.60%	$ 985,000	$ 719,747	$ 1,585,000	$ 561,726
JP Morgan	10/18/2021	daily floating rate LIBOR plus 2.75%	15,000	—	15,000	—
Fannie Mae Multifamily As Soon As Pooled Plus Agreement and Multifamily As Soon As Pooled Sale Agreement (ASAP) Program (5)	Cancelable anytime	daily one-month LIBOR plus 1.45%, with a LIBOR floor of 0.25%	650,000	29,739	450,000	132,692
TD Bank, N.A. (TD Bank) (2)	7/15/2022	daily floating rate LIBOR plus 1.30%	800,000	87,916	800,000	401,849
Bank of America, N.A. (BofA) (3)	5/25/2022	daily floating rate LIBOR plus 1.30%, with a LIBOR floor of 0.30%	350,000	138,866	350,000	175,862
BofA (6)	5/25/2022	daily floating rate LIBOR plus 1.30%, with a LIBOR floor of 0.30%	250,000	—	—	—
MUFG Union Bank, N.A. (Union Bank) (4)	7/28/2021	daily floating rate LIBOR plus 1.50% with a LIBOR floor of 0.25%	200,000	125,888	300,000	111,835
			$ 3,250,000	$ 1,102,156	$ 3,500,000	$ 1,383,964

(1) Effective October 19, 2020, this facility was amended and the maximum facility size was temporarily increased to $ 1,585.0 million, and reverted back to $ 985.0 million on January 18, 2021.

(2) Effective July 1, 2020, this facility was amended and provides for a maximum aggregate principal amount of $ 400.0 million, in addition to an uncommitted $ 400.0 million temporary line of credit. Effective June 28, 2021, this facility was renewed with a revised interest rate of daily floating rate LIBOR plus 1.30% and a maturity date of July 15, 2022. As of June 30, 2021, the uncommitted $400.0 million temporary line of credit was not utilized.

(3) The total commitment amount of $ 350.0 million includes a separate sublimit borrowing in the amount of $ 100.0 million, which can be utilized for specific purposes as defined within the agreement. Effective June 30, 2021, this facility was renewed with a revised interest rate of daily floating LIBOR plus 1.30% and a maturity date of May 25, 2022. The sublimit is subject to an interest rate of daily floating LIBOR plus 1.30%, with a LIBOR floor of 0.30%. As of June 30, 2021, the sublimit borrowing has not been utilized.

(4) On June 28, 2019, we added a new warehouse facility for $ 200.0 million that contains an accordion feature which allowed for temporary increases not to exceed an additional $ 150.0 million. If utilized, the additional borrowings must be in predefined multiples and are not to occur more than 3 times within 12 consecutive months. Effective August 4, 2020, this facility was amended and decreased the accordion feature from $150.0 million to $100.0 million, with no changes to the predefined borrowing multiples. On September 22, 2020, the temporary increase of $ 100.0 million was utilized and expired on January 20, 2021. Effective June 28, 2021, the facility maturity date was extended to July 28, 2021.

(5) Effective January 15, 2021, the maximum facility was temporarily increased to $ 650.0 million.

(6) Effective June 30, 2021, the advised consent line was renewed for $ 250.0 million of capacity with a revised interest rate of daily floating LIBOR plus 1.30%, with a LIBOR floor of 0.30%, and a maturity date of May 25, 2022.

During the six months ended June 30, 2021, we had a maximum of $2.1 billion of warehouse lines of credit principal outstanding.

4. Variable Interest Entities (VIEs)

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

As of June 30, 2021 and December 31, 2020, our maximum exposure to loss related to VIEs which are not consolidated was as follows (dollars in thousands):

	June 30, 2021	December 31, 2020
Investments in unconsolidated subsidiaries	$ 81,250	$ 66,947
Other current assets	4,219	4,219
Co-investment commitments	80,133	47,957
Maximum exposure to loss	$ 165,602	$ 119,123

5. Fair Value Measurements

Topic 820 of the FASB ASC defines fair value as the price that would be received to sell an asset or paid to transfer a 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 have been no significant changes to the valuation techniques and inputs used to develop the recurring fair value measurements from those disclosed in our 2020 Annual Report.

CBRE GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The following tables present the fair value of assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 and December 31, 2020 (dollars in thousands):

	As of June 30, 2021			
	Fair Value Measured and Recorded Using			
	Level 1	Level 2	Level 3	Total
Assets				
Available for sale securities:				
Debt securities:				
U.S. treasury securities	$ 7,094	$ —	$ —	$ 7,094
Debt securities issued by U.S. federal agencies	—	8,689	—	8,689
Corporate debt securities	—	51,177	—	51,177
Asset-backed securities	—	3,778	—	3,778
Collateralized mortgage obligations	—	1,314	—	1,314
Total available for sale debt securities	7,094	64,958	—	72,052
Equity securities	45,395	—	—	45,395
Investments in unconsolidated subsidiaries	—	—	265,531	265,531
Warehouse receivables	—	1,117,677	—	1,117,677
Total assets at fair value	$ 52,489	$ 1,182,635	$ 265,531	$ 1,500,655
Liabilities				
Warrant liabilities	10,868		—	10,868
Total liabilities at fair value	$ 10,868	$ —	$ —	$ 10,868

	As of December 31, 2020			
	Fair Value Measured and Recorded Using			
	Level 1	Level 2	Level 3	Total
Assets				
Available for sale securities:				
Debt securities:				
U.S. treasury securities	$ 7,270	$ —	$ —	$ 7,270
Debt securities issued by U.S. federal agencies	—	10,216	—	10,216
Corporate debt securities	—	51,244	—	51,244
Asset-backed securities	—	3,801	—	3,801
Collateralized mortgage obligations	—	1,369	—	1,369
Total available for sale debt securities	7,270	66,630	—	73,900
Equity securities	43,334	—	—	43,334
Investments in unconsolidated subsidiaries	—	—	50,000	50,000
Warehouse receivables	—	1,411,170	—	1,411,170
Total assets at fair value	$ 50,604	$ 1,477,800	$ 50,000	$ 1,578,404

We classify certain investments as level 3 in the fair value hierarchy which represent investments in non-public entities where we elected the fair value option. The valuation of these investments is determined utilizing recent market activity as well as income and/or market approach valuation methodologies. As of June 30, 2021 and December 31, 2020, investments in unconsolidated subsidiaries at fair value using NAV were $95.6 million and $66.3 million, respectively. These investments fall under practical expedient rules that do not require them to be included in the fair value hierarchy and as a result have been excluded from the tables above.

There were no significant non-recurring fair value measurements recorded during the three and six months ended June 30, 2021.

There were no significant non-recurring fair value measurement recorded during the three months ended June 30, 2020. The following non-recurring fair value measurements were recorded for the six months ended June 30, 2020 (dollars in thousands):

	Net Carrying Value as of June 30, 2020	Fair Value Measured and Recorded Using			Total Impairment Charges for the Six Months Ended June 30, 2020
		Level 1	Level 2	Level 3	
Property and equipment	$ 9,875	$ —	$ —	$ 9,875	$ 21,663
Goodwill	421,574	—	—	421,574	25,000
Other intangible assets	13,123	—	—	13,123	28,508
Total	$ 444,572	$ —	$ —	$ 444,572	$ 75,171

During the six months ended June 30, 2020, we recorded $50.2 million of non-cash asset impairment charges in our Global Workplace Solutions segment and a non-cash goodwill impairment charge of $25.0 million in our Real Estate Investments segment. Primarily as a result of the global economic disruption and uncertainty due to Covid-19, we deemed there to be triggering events in the first quarter of 2020 that required testing of goodwill and certain assets for impairment at that time. Based on these tests, we recorded the aforementioned non-cash impairment charges, which were primarily driven by lower anticipated cash flows in certain businesses directly resulting from a downturn in forecasts as well as increased forecast risk due to Covid-19 and changes in our business going forward. These asset impairment charges were included within the line item "Asset impairments" in the accompanying consolidated statements of operations. The fair value measurements employed for our impairment evaluations were based on a discounted cash flow approach. Inputs used in these evaluations included risk-free rates of return, estimated risk premiums, terminal growth rates, working capital assumptions, income tax rates as well as other economic variables.

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

- *Cash and Cash Equivalents and Restricted Cash* – These balances include cash and cash equivalents as well as restricted cash with maturities of less than three months. The carrying amount approximates fair value due to the short-term maturities of these instruments.
- *Receivables, less Allowance for Doubtful Accounts* – Due to their short-term nature, fair value approximates carrying value.
- *Warehouse Receivables* – These balances are carried at fair value. The primary source of value is either a contractual purchase commitment from Freddie Mac or a confirmed forward trade commitment for the issuance and purchase of a Fannie Mae or Ginnie Mae MBS (see Note 3).
- *Investments in Unconsolidated Subsidiaries* – A portion of these investments are carried at fair value as discussed above.
- *Available for Sale Debt Securities* – Primarily held by our wholly-owned captive insurance company, these investments are carried at their fair value.
- *Equity Securities* – Primarily held by our wholly-owned captive insurance company, these investments are carried at their fair value.
- *Investments Held in Trust - special purpose acquisition company* – Funds received as part of the initial public offering of CBRE Acquisition Holdings, Inc. have been deposited in an interest-bearing U.S. based trust account. The funds will be invested only in specified U.S. government treasury bills with a maturity of 180 days or less or in money market funds. The carrying amount approximates fair value due to the short-term maturities of these instruments.
- *Warrant liabilities* - A liability of CBRE Acquisition Holdings, Inc., the redeemable warrants are separately traded on the NYSE under the symbol "CBAH.WS." These warrants are carried at fair value, which was determined at quoted trading price of these instruments.

- *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 8).
- *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 $770.4 million and $772.2 million at June 30, 2021 and December 31, 2020, respectively. Their actual carrying value, net of unamortized debt issuance costs, totaled $771.8 million and $785.7 million at June 30, 2021 and December 31, 2020, respectively (see Note 8).
- *Senior Notes* – Based on dealers' quotes (which falls within Level 2 of the fair value hierarchy), the estimated fair value of our 4.875% senior notes was $696.3 million and $702.5 million at June 30, 2021 and December 31, 2020, respectively. The actual carrying value of our 4.875% senior notes, net of unamortized debt issuance costs and discount, totaled $595.0 million and $594.5 million at June 30, 2021 and December 31, 2020, respectively. The estimated fair value of our 2.500% senior notes was $507.2 million as of June 30, 2021. The actual carrying value of our 2.500% senior notes, net of unamortized debt issuance costs and discount, totaled $487.6 million at June 30, 2021. On December 28, 2020, we redeemed the $425.0 million aggregate outstanding principal amount of our 5.25% senior notes in full (See Note 8).
- *Notes Payable on Real Estate* - As of June 30, 2021 and December 31, 2020, the carrying value of our notes payable on real estate, net of unamortized debt issuance costs, was $128.7 million and $79.6 million, respectively. These notes payable were not recourse to CBRE Group, Inc., except for being recourse to the single-purpose entities that held the real estate assets and were the primary obligors on the notes payable. These borrowings have either fixed interest rates or floating interest rates at spreads added to a market index. Although it is possible that certain portions of our notes payable on real estate may have fair values that differ from their carrying values, based on the terms of such loans as compared to current market conditions, or other factors specific to the borrower entity, we do not believe that the fair value of our notes payable is significantly different than their carrying value.

6. Goodwill

We test each of our reporting units for goodwill impairment annually at October 1st, or upon a triggering event, in accordance with ASC Topic 350, "*Intangibles – Goodwill and Other.*" As of January 1, 2021, we underwent an internal reorganization in our Advisory Services and Global Workplace Solutions reportable segments (see Note 14 for further discussion). This changed the composition of our reporting units which resulted in the reallocation of $101.4 million of goodwill from our Advisory Services to our Global Workplace Solutions reportable segments as of January 1, 2021. Additionally, the change in composition of our reporting units was considered a triggering event for a quantitative test as of January 1, 2021. We determined that no impairment existed as the estimated fair values of our reporting units were in excess of their respective carrying values.

7. Investments in Unconsolidated Subsidiaries

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	$ 906,765	$ 412,169	$ 1,462,622	$ 823,420
Operating income	431,539	138,924	707,001	313,458
Net income	1,108,718	54,055	1,476,935	158,584

During the second quarter of 2021, the company closed on its integration of Hana with Industrious National Management Company LLC ("Industrious"), increasing its ownership interest to 40% as of June 30, 2021.

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

8. Long-Term Debt and Short-Term Borrowings

Long-Term Debt

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

	June 30, 2021	December 31, 2020
Senior term loans, with interest ranging from 0.75% to 1.15%, due quarterly through 2024	$ 774,327	$ 788,759
4.875% senior notes due in 2026, net of unamortized discount	597,688	597,470
2.500% senior notes due in 2031, net of unamortized discount	492,443	—
Other	1,193	1,514
Total long-term debt	1,865,651	1,387,743
Less: current maturities of long-term debt	1,181	1,514
Less: unamortized debt issuance costs	10,143	6,027
Total long-term debt, net of current maturities	$ 1,854,327	$ 1,380,202

We maintain credit facilities with third-party lenders, which we use for a variety of purposes. On March 4, 2019, CBRE Services, Inc. (CBRE Services) entered into an incremental assumption agreement with respect to its credit agreement, dated October 31, 2017 (such agreement, as amended by a December 20, 2018 incremental loan assumption agreement and such March 4, 2019 incremental assumption agreement, collectively, the 2019 Credit Agreement), which (i) extended the maturity of the U.S. dollar tranche A term loans under such credit agreement, (ii) extended the termination date of the revolving credit commitments available under such credit agreement and (iii) made certain changes to the interest rates and fees applicable to such tranche A term loans and revolving credit commitments under such credit agreement. The proceeds from the new tranche A term loan facility under the 2019 Credit Agreement were used to repay the $ 300.0 million of tranche A term loans outstanding under the credit agreement in effect prior to the entry into the 2019 incremental assumption agreement.

The 2019 Credit Agreement is a senior unsecured credit facility that is jointly and severally guaranteed by us. On May 21, 2021, we entered into a definitive agreement whereby our subsidiary guarantors were released as guarantors from our 2019 Credit Agreement. As of June 30, 2021, the 2019 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 terminates on March 4, 2024; (2) a $300.0 million tranche A term loan facility maturing on March 4, 2024, requiring quarterly principal payments unless our leverage ratio (as defined in the 2019 Credit Agreement) is less than or equal to 2.50 to 1.00 on the last day of the fiscal quarter immediately preceding any such payment date and (3) a €400.0 million term loan facility due and payable in full at maturity on December 20, 2023.

On July 9, 2021, CBRE Services entered into an incremental assumption agreement with respect to the 2019 Credit Agreement for purposes of increasing the revolving credit commitments available under the 2019 Credit Agreement by an aggregate principal amount of $350.0 million. The increase is comprised of an increase in domestic borrowings of $330.0 million and an increase in our U.K. subsidiaries' borrowings of $20.0 million.

On August 13, 2015, CBRE Services issued $600.0 million in aggregate principal amount of 4.875% senior notes due March 1, 2026 at a price equal to 99.24% of their face value. The 4.875% senior notes are unsecured obligations of CBRE Services, senior to all of its current and future subordinated indebtedness, but effectively subordinated to all of its current and future secured indebtedness. The 4.875% senior notes are jointly and severally guaranteed on a senior basis by us. Interest accrues at a rate of 4.875% per year and is payable semiannually in arrears on March 1 and September 1.

On March 18, 2021, CBRE Services issued $500.0 million in aggregate principal amount of 2.500% senior notes due April 1, 2031 at a price equal to 98.451% of their face value (the 2.500% senior notes). The 2.500% senior notes are unsecured obligations of CBRE Services, senior to all of its current and future subordinated indebtedness, but effectively subordinated to all of its current and future secured indebtedness. Interest accrues at a rate of 2.500% per year and is payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2021. The 2.500% senior notes are redeemable at our option, in whole or in part, on or after January 1, 2031 at a redemption price of 100% of the principal amount on that date, plus accrued and unpaid interest, if any, to, but excluding the date of redemption. At any time prior to January 1, 2031, we may redeem all or a portion of the notes at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present value at the date of redemption of the remaining scheduled payments of principal and interest thereon to January 1, 2031, assuming the notes matured on January 1, 2031, discounted to the date of redemption on a semi-annual basis at an adjusted rate equal to the treasury rate plus 20 basis points, minus accrued and unpaid interest to, but excluding, the date of redemption, plus, in either case, accrued and unpaid interest, if any, to, but not including the redemption date. The amount of the 2.500% senior notes, net of unamortized discount and unamortized debt issuance costs, included in the accompanying consolidated balance sheet was $487.6 million at June 30, 2021.

The indentures governing our 4.875% senior notes and 2.500% senior notes contain restrictive covenants that, among other things, limit our ability to create or permit liens on assets securing indebtedness, enter into sale/leaseback transactions and enter into consolidations or mergers. In addition, these indentures require that the 4.875% senior notes and 2.500% senior notes be jointly and severally guaranteed on a senior basis by CBRE Group, Inc. and any domestic subsidiary that guarantees the 2019 Credit Agreement. In addition, our 2019 Credit Agreement also requires us to maintain a minimum coverage ratio of consolidated EBITDA (as defined in the 2019 Credit Agreement) to consolidated interest expense of 2.00x and a maximum leverage ratio of total debt less available cash to consolidated EBITDA (as defined in the 2019 Credit Agreement) of 4.25x (and in the case of the first four full fiscal quarters following consummation of a qualified acquisition (as defined in the 2019 Credit Agreement), 4.75x) as of the end of each fiscal quarter. On this basis, our coverage ratio of consolidated EBITDA to consolidated interest expense was 39.78x for the trailing twelve months ended June 30, 2021, and our leverage ratio of total debt less available cash to consolidated EBITDA was (0.02)x as of June 30, 2021.

Short-Term Borrowings

Revolving Credit Facility

The revolving credit facility under the 2019 Credit Agreement allows for borrowings outside of the U.S., with a $200.0 million sub-facility available to CBRE Services, one of our Canadian subsidiaries, one of our Australian subsidiaries and one of our New Zealand subsidiaries and a $300.0 million sub-facility available to CBRE Services and one of our U.K. subsidiaries. On July 9, 2021, the U.K. subsidiaries sub-facility was increased to $320.0 million. Borrowings under the revolving credit facility bear interest at varying rates, based at our option, on either (1) the applicable fixed rate plus 0.680% to 1.075% or (2) the daily rate plus 0.0% to 0.075%, in each case as determined by reference to our Credit Rating (as defined in the 2019 Credit Agreement). The 2019 Credit Agreement requires us to pay a fee based on the total amount of the revolving credit facility commitment (whether used or unused). As of June 30, 2021, no amount was outstanding under the revolving credit facility other than letters of credit totaling $2.0 million. These letters of credit, which reduce the amount we may borrow under the revolving credit facility, were primarily issued in the ordinary course of business.

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.

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9. Leases

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

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

Category	Classification	June 30, 2021	December 31, 2020
Assets			
Operating	Operating lease assets	$ 1,001,608	$ 1,020,352
Financing	Other assets, net	117,117	117,805
Total leased assets		$ 1,118,725	$ 1,138,157
Liabilities			
Current:			
Operating	Operating lease liabilities	$ 216,879	$ 208,526
Financing	Other current liabilities	36,232	39,298
Non-current:			
Operating	Non-current operating lease liabilities	1,071,499	1,116,795
Financing	Other liabilities	80,376	78,881
Total lease liabilities		$ 1,404,986	$ 1,443,500

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

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 62,591	$ 155,935
Right-of-use assets obtained in exchange for new financing lease liabilities	22,430	23,845
Other non-cash increases in operating lease right-of-use assets [(1)]	6,876	11,426
Other non-cash decreases in financing lease right-of-use assets [(1)]	(2,496)	(969)

(1) The non-cash activity in the right-of-use assets resulted from lease modifications and remeasurements .

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10. Commitments and Contingencies

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

In January 2008, CBRE MCI, a wholly-owned subsidiary of CBRE Capital Markets, entered into an agreement with Fannie Mae under Fannie Mae's Delegated Underwriting and Servicing Lender Program (DUS Program), to provide financing for multifamily housing with five or more units. Under the DUS Program, CBRE MCI originates, underwrites, closes and services loans without prior approval by Fannie Mae, and typically, is subject to sharing up to one-third of any losses on loans originated under the DUS Program. CBRE MCI has funded loans with unpaid principal balances of $34.6 billion at June 30, 2021, of which $30.0 billion was subject to such loss sharing arrangements. CBRE MCI, under its agreement with Fannie Mae, must post cash reserves or other acceptable collateral under formulas established by Fannie Mae to provide for sufficient capital in the event losses occur. As of both June 30, 2021 and December 31, 2020, CBRE MCI had a $95.0 million letter of credit under this reserve arrangement and had recorded a liability of approximately $61.2 million and $57.1 million, respectively, for its loan loss guarantee obligation under such arrangement. Fannie Mae's recourse under the DUS Program is limited to the assets of CBRE MCI, which assets totaled approximately $796.1 million (including $323.9 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 June 30, 2021.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in the United States in response to the Covid-19 pandemic. The CARES Act, among other things, permits borrowers with government-backed mortgages from Government Sponsored Enterprises who are experiencing a financial hardship to obtain forbearance of their loans. For Fannie Mae loans that we service, CBRE MCI is obligated to advance (for a forbearance period up to 90 consecutive days and potentially longer) scheduled principal and interest payments to Fannie Mae, regardless of whether the borrowers actually make the payments. These advances are reimbursable by Fannie Mae after 120 days. As of June 30, 2021, total advances for principal and interest were $9.3 million, of which $5.6 million have already been reimbursed.

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. We could potentially be obligated to repurchase any SBL loan originated by CBRE Capital Markets that remains in default for 120 days following the forbearance period, if the default occurred during the first 12 months after origination and such loan had not been earlier securitized. In addition, CBRE Capital Markets may be responsible for a loss not to exceed 10% of the original principal amount of any SBL loan that is not securitized and goes into default after the 12-month repurchase period. CBRE Capital Markets must post a cash reserve or other acceptable collateral to provide for sufficient capital in the event the obligations are triggered. As of both June 30, 2021 and December 31, 2020, CBRE Capital Markets had posted a $5.0 million letter of credit under this reserve arrangement.

We had outstanding letters of credit totaling $145.7 million as of June 30, 2021, excluding letters of credit for which we have outstanding liabilities already accrued on our consolidated balance sheet related to our subsidiaries' outstanding reserves for claims under certain insurance programs as well as letters of credit related to operating leases. The CBRE Capital Markets letters of credit totaling $95.0 million as of June 30, 2021 referred to in the preceding paragraphs represented the majority of the $145.7 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 the end of each of the respective agreements.

We had guarantees totaling $38.7 million as of June 30, 2021, 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 $38.7 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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In addition, as of June 30, 2021, we had issued numerous non-recourse carveout, completion and budget guarantees relating to development projects for the benefit of third parties. These guarantees are commonplace in our industry and are made by us in the ordinary course of our Real Estate Investments business. Non-recourse carveout guarantees generally require that our project-entity borrower not commit specified improper acts, with us potentially liable for all or a portion of such entity's indebtedness or other damages suffered by the lender if those acts occur. Completion and budget guarantees generally require us to complete construction of the relevant project within a specified timeframe and/or within a specified budget, with us potentially being liable for costs to complete in excess of such timeframe or budget. While there can be no assurance, we do not expect to incur any material losses under these guarantees.

An important part of the strategy for our Real Estate Investments business involves investing our capital in certain real estate investments with our clients. These co-investments generally total up to 2.0% of the equity in a particular fund. As of June 30, 2021, we had aggregate commitments of $118.7 million to fund these future co-investments. Additionally, an important part of our Real Estate Investments business strategy is to invest in unconsolidated real estate subsidiaries as a principal (in most cases co-investing with our clients). As of June 30, 2021, we had committed to fund $55.5 million of additional capital to these unconsolidated subsidiaries.

11. Income Taxes

Our provision for income taxes on a consolidated basis was $133.4 million for the three months ended June 30, 2021 as compared to $18.8 million for the three months ended June 30, 2020. The increase of $114.6 million is primarily related to the corresponding increase in our consolidated pre-tax book income. Our effective tax rate increased to 23.1% for the three months ended June 30, 2021 from 18.6% for the three months ended June 30, 2020 primarily resulted from a percentage decrease of favorable permanent book tax differences and tax credits in 2021.

Our provision for income taxes on a consolidated basis was $209.8 million for the six months ended June 30, 2021 as compared to $70.0 million for the six months ended June 30, 2020. The increase of $139.8 million is primarily related to the corresponding increase in consolidated pre-tax book income. Our effective tax rate increased to 22.7% for the six months ended June 30, 2021 from 21.5% for the six months ended June 30, 2020 primarily resulting from a percentage decrease of favorable permanent book tax differences and tax credits in 2021.

Our effective tax rate for the three and six months ended June 30, 2021 was different than the U.S. federal statutory tax rate of 21.0% primarily due to U.S. state taxes and favorable permanent book tax differences.

As of June 30, 2021 and December 31, 2020, the company had gross unrecognized tax benefits of $172.7 million and $168.5 million, respectively. The net increase of $4.2 million primarily resulting from an accrual of gross unrecognized tax benefits of $9.9 million and a release of $5.7 million of gross unrecognized tax benefits primarily related to the expiration of statute of limitations in various tax jurisdictions.

The CARES Act has not had, nor is it expected to have, a significant impact on our effective tax rate for 2021.

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12. Income Per Share and Stockholders' Equity

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

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Basic Income Per Share				
Net income attributable to CBRE Group, Inc. stockholders	$ 442,637	$ 81,897	$ 708,839	$ 254,092
Weighted average shares outstanding for basic income per share	335,643,233	335,126,126	335,751,530	335,048,115
Basic income per share attributable to CBRE Group, Inc. stockholders	$ 1.32	$ 0.24	$ 2.11	$ 0.76
Diluted Income Per Share				
Net income attributable to CBRE Group, Inc. stockholders	$ 442,637	$ 81,897	$ 708,839	$ 254,092
Weighted average shares outstanding for basic income per share	335,643,233	335,126,126	335,751,530	335,048,115
Dilutive effect of contingently issuable shares	3,859,638	2,235,293	3,789,824	3,501,690
Weighted average shares outstanding for diluted income per share	339,502,871	337,361,419	339,541,354	338,549,805
Diluted income per share attributable to CBRE Group, Inc. stockholders	$ 1.30	$ 0.24	$ 2.09	$ 0.75

For the three and six months ended June 30, 2021,3,974 and 15,852, 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 six months ended June 30, 2020,2,381,476 and 1,585,601, 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.

In February 2019, our board of directors authorized a new program for the repurchase of up to $300.0 million of our common stock overthree years, effective March 11, 2019. In both August and November 2019, our board of directors authorized an additional $100.0 million under our program, bringing the total authorized repurchase amount under the program to a total of $500.0 million. During the year ended December 31, 2020, we spent $50.0 million to repurchase 1,050,084 shares of our common stock at an average price of $47.62 per share using cash on hand. During the three months ended March 31, 2021, we spent $64.1 million to repurchase an additional 831,274 shares of our common stock with an average price of $77.15 per share using cash on hand. During the three months ended June 30, 2021, we spent $24.1 million to repurchase an additional 300,454 shares of our common stock with an average price of $80.31 per share using cash on hand. As of June 30, 2021, we had $261.7 million of capacity remaining under our stock repurchase program.

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

13. Revenue from Contracts with Customers

We account for revenue with customers in accordance with FASB ASC Topic, "*Revenue from Contracts with Customers*" (Topic 606). Revenue is recognized when or as control of the promised services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to receive in exchange for those services.

Disaggregated Revenue

The following tables represent a disaggregation of revenue from contracts with customers by type of service and/or segment (dollars in thousands):

	Three Months Ended June 30, 2021				
	Advisory Services	Global Workplace Solutions	Real Estate Investments	Corporate, other and eliminations	Consolidated
Topic 606 Revenue:					
Facilities management	$ —	$ 3,435,754	$ —	$ —	$ 3,435,754
Advisory leasing	692,908	—	—	—	692,908
Advisory sales	611,834	—	—	—	611,834
Property management	423,244	—	—	(4,457)	418,787
Project management	—	646,968	—	—	646,968
Valuation	181,226	—	—	—	181,226
Commercial mortgage origination (1)	72,211	—	—	—	72,211
Loan servicing (2)	5,118	—	—	—	5,118
Investment management	—	—	139,271	—	139,271
Development services	—	—	92,514	—	92,514
Topic 606 Revenue	1,986,541	4,082,722	231,785	(4,457)	6,296,591
Out of Scope of Topic 606 Revenue:					
Commercial mortgage origination	89,667	—	—	—	89,667
Loan servicing	60,777	—	—	—	60,777
Development services (3)	—	—	11,578	—	11,578
Total Out of Scope of Topic 606 Revenue	150,444	—	11,578	—	162,022
Total Revenue	$ 2,136,985	$ 4,082,722	$ 243,363	$ (4,457)	$ 6,458,613

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

	Three Months Ended June 30, 2020				
	Advisory Services [4]	**Global Workplace Solutions** [4]	**Real Estate Investments**	**Corporate, other and eliminations** [4]	**Consolidated**
Topic 606 Revenue:					
Facilities management	$ —	$ 3,297,039	$ —	$ —	$ 3,297,039
Advisory leasing	521,778	—	—	—	521,778
Advisory sales	243,007	—	—	—	243,007
Property management	400,110	—	—	(4,892)	395,218
Project management	—	473,394	—	—	473,394
Valuation	131,837	—	—	—	131,837
Commercial mortgage origination [1]	20,115	—	—	—	20,115
Loan servicing [2]	9,021	—	—	—	9,021
Investment management	—	—	103,132	—	103,132
Development services	—	—	57,700	—	57,700
Topic 606 Revenue	1,325,868	3,770,433	160,832	(4,892)	5,252,241
Out of Scope of Topic 606 Revenue:					
Commercial mortgage origination	80,335	—	—	—	80,335
Loan servicing	48,029	—	—	—	48,029
Development services [3]	—	—	779	—	779
Total Out of Scope of Topic 606 Revenue	128,364	—	779	—	129,143
Total Revenue	$ 1,454,232	$ 3,770,433	$ 161,611	$ (4,892)	$ 5,381,384

(1) We earn fees for arranging financing for borrowers with third-party lender contacts. Such fees are in scope of Topic 606.
(2) Loan servicing fees earned from servicing contracts for which we do not hold mortgage servicing rights are in scope of Topic 606.
(3) Out of scope revenue for development services represents selling profit from transfers of sales-type leases in the scope of Topic 842.
(4) Prior period segment results have been recast to conform to the changes as discussed in Note 14.

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

	Six Months Ended June 30, 2021				
	Advisory Services	Global Workplace Solutions	Real Estate Investments	Corporate, other and eliminations	Consolidated
Topic 606 Revenue:					
Facilities management	$ —	$ 6,915,255	$ —	$ —	$ 6,915,255
Advisory leasing	1,213,124	—	—	—	1,213,124
Advisory sales	1,004,146	—	—	—	1,004,146
Property management	850,432	—	—	(10,602)	839,830
Project management	—	1,193,350	—	—	1,193,350
Valuation	340,816	—	—	—	340,816
Commercial mortgage origination (1)	105,962	—	—	—	105,962
Loan servicing (2)	20,505	—	—	—	20,505
Investment management	—	—	271,342	—	271,342
Development services	—	—	170,692	—	170,692
Topic 606 Revenue	3,534,985	8,108,605	442,034	(10,602)	12,075,022
Out of Scope of Topic 606 Revenue:					
Commercial mortgage origination	195,782	—	—	—	195,782
Loan servicing	114,230	—	—	—	114,230
Development services (3)	—	—	12,458	—	12,458
Total Out of Scope of Topic 606 Revenue	310,012	—	12,458	—	322,470
Total Revenue	$ 3,844,997	$ 8,108,605	$ 454,492	$ (10,602)	$ 12,397,492

	Six Months Ended June 30, 2020				
	Advisory Services (4)	Global Workplace Solutions (4)	Real Estate Investments	Corporate, other and eliminations (4)	Consolidated
Topic 606 Revenue:					
Facilities management	$ —	$ 6,632,832	$ —	$ —	$ 6,632,832
Advisory leasing	1,146,806	—	—	(2,134)	1,144,672
Advisory sales	674,676	—	—	—	674,676
Property management	818,591	—	—	(12,276)	806,315
Project management	—	1,022,130	—	—	1,022,130
Valuation	279,575	—	—	—	279,575
Commercial mortgage origination (1)	58,003	—	—	—	58,003
Loan servicing (2)	20,430	—	—	—	20,430
Investment management	—	—	224,809	—	224,809
Development services	—	—	133,926	—	133,926
Topic 606 Revenue	2,998,081	7,654,962	358,735	(14,410)	10,997,368
Out of Scope of Topic 606 Revenue:					
Commercial mortgage origination	165,538	—	—	—	165,538
Loan servicing	93,300	—	—	—	93,300
Development services (3)	—	—	14,346	—	14,346
Total Out of Scope of Topic 606 Revenue	258,838	—	14,346	—	273,184
Total Revenue	$ 3,256,919	$ 7,654,962	$ 373,081	$ (14,410)	$ 11,270,552

(1) We earn fees for arranging financing for borrowers with third-party lender contacts. Such fees are in scope of Topic 606.
(2) Loan servicing fees earned from servicing contracts for which we do not hold mortgage servicing rights are in scope of Topic 606.
(3) Out of scope revenue for development services represents selling profit from transfers of sales-type leases in the scope of Topic 842.
(4) Prior period segment results have been recast to conform to the changes as discussed in Note 14.

Contract Assets and Liabilities

We had contract assets totaling $460.9 million ($322.9 million of which was current) and $471.8 million ($318.2 million of which was current) as of June 30, 2021 and December 31, 2020, respectively.

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

We had contract liabilities totaling $200.7 million ($197.4 million of which was current) and $164.1 million ($162.0 million of which was current) as of June 30, 2021 and December 31, 2020, respectively. During the six months ended June 30, 2021, we recognized revenue of $142.4 million that was included in the contract liability balance at December 31, 2020.

14. Segments

We organize our operations around, and publicly report our financial results on,three global business segments: (1) Advisory Services; (2) Global Workplace Solutions and (3) Real Estate Investments. Effective January 1, 2021, we have realigned our organizational structure and performance measure to how our chief operating decision maker (CODM) views the company. This includes a "Corporate, other and elimination" component and a segment measurement of profit and loss referred to as segment operating profit.

Advisory Services provides a comprehensive range of services globally, including property leasing, property sales, mortgage services, property management, and valuation. Global Workplace Solutions provides a broad suite of integrated, contractually-based outsourcing services to occupiers of real estate, including facilities management and project management. Effective January 1, 2021, transaction services was fully moved under the Advisory Services segment and project management was fully moved under the Global Workplace Solutions segment. Previously transaction services and project management were split between the Global Workplace Solutions segment and the Advisory Services segment. Real Estate Investments includes investment management services provided globally, development services in the U.S. and U.K. and flexible office space solutions. Corporate and other includes activities not attributed to our core business, primarily consisting of corporate headquarters costs for executive officers and certain other central functions, as well as certain strategic equity investments. These costs, which were previously allocated to the business segments on a reasonable basis, are no longer allocated and are reported under Corporate and other. It also includes eliminations related to inter-segment revenue. Prior period segment results for all of our reportable segments have been recast to conform to the above changes.

Segment operating profit is the measure reported to the CODM for purposes of making decisions about allocating resources to each segment and assessing performance of each segment. Segment operating profit represents earnings before net interest expense, write-off of financing costs on extinguished debt, income taxes, depreciation and amortization and asset impairments, as well as adjustments related to the following: certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue, impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in the period, costs incurred related to legal entity restructuring, costs associated with workforce optimization efforts and integration and other costs related to acquisitions. This metric excludes the impact of corporate overhead as these costs are now reported under Corporate and other.

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

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

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Revenue				
Advisory Services	$ 2,136,985	$ 1,454,232	$ 3,844,997	$ 3,256,919
Global Workplace Solutions	4,082,722	3,770,433	8,108,605	7,654,962
Real Estate Investments	243,363	161,611	454,492	373,081
Corporate, other and eliminations	(4,457)	(4,892)	(10,602)	(14,410)
Total revenue	$ 6,458,613	$ 5,381,384	$ 12,397,492	$ 11,270,552
Segment operating profit				
Advisory Services	$ 464,297	$ 202,112	$ 796,597	$ 535,076
Global Workplace Solutions	170,152	127,490	322,329	234,457
Real Estate Investments	153,463	24,654	214,040	67,675
Total reportable segment operating profit	$ 787,912	$ 354,256	$ 1,332,966	$ 837,208

Reconciliation of total reportable segment operating profit to net income is as follows (dollars in thousands):

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Net income attributable to CBRE Group, Inc.	$ 442,637	$ 81,897	$ 708,839	$ 254,092
Adjustments to increase (decrease) net income:				
Depreciation and amortization	119,085	116,384	241,163	230,178
Asset impairments	—	—	—	75,171
Interest expense, net of interest income	13,772	17,950	23,878	33,966
Provision for income taxes	133,445	18,803	209,772	69,985
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	1,672	(7,500)	17,004	(15,284)
Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in period	(374)	1,247	725	7,000
Costs incurred related to legal entity restructuring	—	693	—	3,934
Integration and other costs related to acquisitions	8,134	236	8,134	1,019
Costs associated with workforce optimization efforts (1)	—	37,594	—	37,594
Corporate and other loss, including eliminations	69,541	86,952	123,451	139,553
Total reportable segment operating profit	$ 787,912	$ 354,256	$ 1,332,966	$ 837,208

(1) Primarily represents costs incurred related to workforce optimization initiated and executed in the second quarter of 2020 as part of management's cost containment efforts in response to the Covid-19 pandemic. The charges are cash expenditures primarily for severance costs incurred related to this effort. of the total costs, $7.4 million was included within the "Cost of revenue" line item and $30.2 million was included in the "Operating, administrative and other" line item in the accompanying consolidated statements of operations for both the three and six months ended June 30, 2020.

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

Geographic Information

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue				
United States	$ 3,563,704	$ 3,089,794	$ 6,912,563	$ 6,470,357
United Kingdom	832,938	677,880	1,609,981	1,451,895
All other countries	2,061,971	1,613,710	3,874,948	3,348,300
Total revenue	$ 6,458,613	$ 5,381,384	$ 12,397,492	$ 11,270,552

15. Subsequent Events

On July 29, 2021, we entered into a share purchase agreement to acquire a 60% ownership interest in Turner & Townsend Holdings Limited ("Turner & Townsend") for approximately $1.3 billion in cash, a portion of which will be deferred. We plan to fund the purchase with cash on hand and our revolving credit facility, if needed. Turner & Townsend, based in the U.K., is a global professional services company specializing in program management, project management, and cost consulting across the commercial real estate, infrastructure and natural resources sectors. The acquisition is expected to close in the fourth quarter of 2021, subject to regulatory approvals and other customary closing conditions. Due to our majority interest and rights granted through our ownership, we will consolidate Turner & Townsend’s financial results in our Global Workplace Solutions segment upon completion of the transaction.

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 June 30, 2021 represents an update to the more detailed and comprehensive disclosures included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (2020 Annual Report). Accordingly, you should read the following discussion in conjunction with the information included in our 2020 Annual Report 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 "CBRE," "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 2020 revenue, with leading global market positions in leasing, property sales, occupier outsourcing and valuation businesses. As of December 31, 2020, the company has more than 100,000 employees (excluding affiliates) serving clients in more than 100 countries.

Our business is focused on providing services to real estate investors and occupiers. For investors, we provide capital markets (property sales, mortgage origination, sales and servicing), property leasing, investment management, property management, valuation and development services, among others. For occupiers, we provide facilities management, project management, transaction (both property sales and leasing) and consulting services, among others. We provide services under the following brand names: "CBRE" (real estate advisory and outsourcing services); "CBRE Global Investors" (investment management); "Trammell Crow Company" (U.S. development); "Telford Homes" (U.K. development) and "Hana" (flexible-space solutions). In 2020, CBRE sponsored a special purpose acquisition company, or SPAC, CBRE Acquisition Holdings, Inc., which trades on the NYSE under the symbols "CBAH," "CBAH.U," and "CBAH.WS." On July 13, 2021, CBRE Acquisition Holdings, Inc. entered into a definitive merger agreement with Altus Power, Inc. that is expected to result in Altus Power, Inc. becoming a public company listed on the NYSE under the new ticker symbol "AMPS." The transaction is expected to close in the fourth quarter of 2021.

Our revenue mix has shifted toward more stable revenue sources, particularly occupier outsourcing, and our dependence on highly cyclical property sales and lease transaction revenue has declined markedly over the past decade. We believe we are well-positioned to capture a substantial and growing share of market opportunities at a time when investors and occupiers increasingly prefer to purchase integrated, account-based services on a national and global basis. We generate revenue from both management fees (large multi-year portfolio and per-project contracts) and commissions on transactions.

In 2020, we generated revenue from a highly diversified base of clients, including more than 90 of the *Fortune* 100 companies. We have been an S&P 500 company since 2006 and in 2021 we were ranked to #122 on the *Fortune* 500. We have been voted the most recognized commercial real estate brand in the Lipsey Company survey for 20 years in a row (including 2021). We have also been rated a World's Most Ethical Company by the Ethisphere Institute for eight consecutive years (including 2021), and are included in both the Dow Jones World Sustainability Index and the Bloomberg Gender-Equality Index for two years in a row.

The Covid-19 pandemic has primarily impacted the property sales and leasing lines of business in the Advisory Services segment. Many property owners and occupiers put transactions on hold and withdrew existing mandates, sharply reducing sales and leasing volumes. The effects of Covid-19 have eased in parts of the world where progress has been made with vaccine distribution and global economic conditions have improved. Nevertheless Covid-19 continues to pose public health challenges that impact our operations, particularly as new strains emerge and spread and vaccine administration is slow in parts of the world. As of the date of this Quarterly Report, the majority of workers remain out of their offices and occupier confidence in making long-term office leasing decisions has not returned to pre-pandemic levels.

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. We believe that the following 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 2020 Annual Report. There have been no material changes to these policies as of June 30, 2021.

New Accounting Pronouncements

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

Seasonality

In a typical year, 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 have tended 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. The severe and ongoing impact of the Covid-19 pandemic may cause seasonality to deviate from historical patterns.

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 believe that general inflation has not 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 (particularly those caused or exacerbated by Covid-19) 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, particularly office-based employment; current and changes in interest rate levels; 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 global capital markets, or the public perception that any of these events may occur, will negatively affect the performance of certain portions of our business, with the greatest impact likely on some business lines within our Advisory segment.

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 effects on our Advisory segment operating margins of difficult market conditions, such as current conditions resulting from the Covid-19 pandemic, are partially mitigated by the inherent variability of our compensation cost structure. In addition, when negative economic conditions have been particularly severe, like during the Covid-19 pandemic, we have moved decisively to lower operating expenses to improve financial performance, and will restore certain expenses as economic conditions improve.

Additionally, our revenue has become more resilient, primarily as a result of the growth of our outsourcing business, which is largely contractual, and we believe this resilient revenue should help to offset the negative impacts that macroeconomic deterioration could have on other parts of our business. Nevertheless, adverse global and regional economic trends could pose significant risks to the performance of our consolidated operations and financial condition.

Effects of Acquisitions

We have historically made significant use of strategic acquisitions to add and enhance service capabilities around the world. During the first half of 2021, we completed our integration of Hana with Industrious National Management Company LLC (Industrious), increasing our stake to 40% as of June 30, 2021. In October 2019, we acquired Telford Homes Plc (Telford), a leading developer of multifamily residential properties in the London area. Telford, which is reported in our Real Estate Investments segment, expanded our real estate development business outside the U.S. for the first time.

Strategic in-fill acquisitions have also played a key role in strengthening our service offerings. The companies we acquired have generally been regional or specialty firms that complement our existing platform, or independent affiliates, which, in some cases, we held a small equity interest. During 2020, we completed six in-fill acquisitions: leading local facilities management firms in Spain and Italy, a U.S. firm that helps companies reduce telecommunications costs, a technology-focused project management firm based in Florida, a firm specializing in performing real estate valuations in South Korea, and a facilities management and technical maintenance firm in Australia. In the first half of 2021, we completed four in-fill acquisitions: a construction management and project advisory services firm based in Los Angeles; a technical facilities services firm based in Denmark; an infrastructure and development services firm based in Australia, and a gaming sector advisory firm based in Las Vegas.

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

Our acquisition structures often include deferred and/or contingent purchase consideration in future periods that are subject to the passage of time or achievement of certain performance metrics and other conditions. As of June 30, 2021, we have accrued deferred purchase consideration totaling $125.6 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 conduct a significant portion of our business and employ a substantial number of people outside of the U.S. and, as a result, we are subject to risks associated with doing business globally. Our Real Estate Investments segment has significant euro-denominated assets under management, or AUM, as well as associated revenue and earnings in Europe. In addition, our Global Workplace Solutions segment also derives significant revenue and earnings in foreign currencies, including the euro and British pound sterling. Fluctuations in foreign currency exchange rates have resulted and may continue to result in corresponding fluctuations in our AUM, revenue and earnings.

We are closely monitoring the impact of the Covid-19 pandemic on business conditions across all regions worldwide. Covid-19 has significantly impacted our operations and has the potential to further constrain our business activity, although its effects have eased in part of the world where vaccines have been administered and economic activity has recovered.

Our businesses could also suffer from political or economic disruptions (or the perception that such disruptions may occur) that affect interest rates or liquidity or create financial, market or regulatory uncertainty in the jurisdictions in which we operate. Any currency volatility associated with the Covid-19 pandemic, geopolitical or economic dislocations could impact our results of operations.

During the six months ended June 30, 2021, approximately 44.8% of our revenue was transacted in foreign currencies. The following table sets forth our revenue derived from our most significant currencies (dollars in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021		2020		2021		2020	
United States dollar	$ 3,563,704	55.2 %	$ 3,089,794	57.4 %	$ 6,912,563	55.8 %	$ 6,470,357	57.4 %
British pound sterling	832,938	12.9 %	677,880	12.6 %	1,609,981	13.0 %	1,451,895	12.9 %
euro	719,160	11.1 %	573,761	10.7 %	1,348,785	10.9 %	1,190,729	10.6 %
Canadian dollar	259,012	4.0 %	170,896	3.2 %	498,722	4.0 %	364,131	3.2 %
Australian dollar	161,240	2.5 %	93,923	1.7 %	271,293	2.2 %	188,064	1.7 %
Chinese yuan	112,372	1.7 %	90,375	1.7 %	210,586	1.7 %	165,831	1.5 %
Indian rupee	102,210	1.6 %	110,598	2.1 %	209,519	1.7 %	246,124	2.2 %
Swiss franc	98,172	1.5 %	78,411	1.5 %	189,988	1.5 %	154,088	1.4 %
Japanese yen	90,775	1.4 %	63,911	1.2 %	168,109	1.4 %	162,293	1.4 %
Singapore dollar	74,776	1.2 %	62,501	1.1 %	141,649	1.1 %	130,405	1.1 %
Other currencies (1)	444,254	6.9 %	369,334	6.8 %	836,297	6.7 %	746,635	6.6 %
Total revenue	$ 6,458,613	100.0 %	$ 5,381,384	100.0 %	$ 12,397,492	100.0 %	$ 11,270,552	100.0 %

(1) Approximately 37 currencies comprise 6.9% and 6.7% of our revenues for the three and six months ended June 30, 2021, respectively, and approximately 37 currencies comprise 6.8% and 6.6% of our revenues for the three and six months ended June 30, 2020, respectively.

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 six months ended June 30, 2021, the net impact would have been an increase in pre-tax income of $6.5 million. Had the euro-to-U.S. dollar exchange rates been 10% higher during the six months ended June 30, 2021, the net impact would have been an increase in pre-tax income of $14.0 million. These hypothetical calculations estimate the impact of translating results into U.S. dollars and do not include an estimate of the impact that a 10% change in the U.S. dollar against other currencies would have had on our foreign operations.

Due to the constantly changing currency exposures to which we are subject and the volatility of currency exchange rates, we cannot predict the effect of exchange rate fluctuations upon future operating results. In addition, fluctuations in currencies relative to the U.S. dollar may make it more difficult to perform period-to-period comparisons of our reported results of operations. Our international operations also are subject to, among other things, political instability and changing regulatory environments, which affect 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 six months ended June 30, 2021 and 2020 (dollars in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021		2020 (1)		2021		2020 (1)	
Revenue:								
Net revenue:								
Facilities management	$ 1,199,657	18.6 %	$ 1,087,657	20.2 %	$ 2,356,146	19.0 %	$ 2,201,715	19.5 %
Property management	421,378	6.5 %	395,789	7.4 %	829,947	6.7 %	795,141	7.1 %
Project management	338,011	5.2 %	293,386	5.5 %	646,128	5.2 %	625,048	5.5 %
Valuation	181,226	2.8 %	131,837	2.4 %	340,816	2.7 %	279,575	2.5 %
Loan servicing	65,894	1.0 %	57,050	1.1 %	134,736	1.1 %	113,730	1.0 %
Advisory leasing	692,908	10.7 %	521,778	9.7 %	1,213,124	9.8 %	1,146,806	10.2 %
Capital markets:								
Advisory sales	611,834	9.5 %	243,007	4.5 %	1,004,146	8.1 %	674,676	6.0 %
Commercial mortgage origination	161,879	2.5 %	100,450	1.9 %	301,743	2.4 %	223,541	2.0 %
Investment management	139,271	2.2 %	103,132	1.9 %	271,342	2.2 %	224,809	2.0 %
Development services	104,092	1.7 %	58,478	1.0 %	183,151	1.5 %	148,272	1.3 %
Corporate, other and eliminations	(4,457)	(0.1)%	(4,892)	(0.1)%	(10,602)	(0.1)%	(14,410)	(0.1)%
Total net revenue	3,911,693	60.6 %	2,987,672	55.5 %	7,270,677	58.6 %	6,418,903	57.0 %
Pass through costs also recognized as revenue	2,546,920	39.4 %	2,393,712	44.5 %	5,126,815	41.4 %	4,851,649	43.0 %
Total revenue	6,458,613	100.0 %	5,381,384	100.0 %	12,397,492	100.0 %	11,270,552	100.0 %
Costs and expenses:								
Cost of revenue	5,016,759	77.7 %	4,399,537	81.8 %	9,736,305	78.5 %	9,112,211	80.8 %
Operating, administrative and other	957,216	14.8 %	770,806	14.3 %	1,785,543	14.4 %	1,560,872	13.8 %
Depreciation and amortization	119,085	1.8 %	116,384	2.1 %	241,163	2.0 %	230,178	2.1 %
Asset impairments	—	0.0 %	—	0.0 %	—	0.0 %	75,171	0.7 %
Total costs and expenses	6,093,060	94.3 %	5,286,727	98.2 %	11,763,011	94.9 %	10,978,432	97.4 %
Gain (loss) on disposition of real estate	929	0.0 %	(492)	(0.1)%	1,085	0.0 %	22,335	0.2 %
Operating income	366,482	5.7 %	94,165	1.7 %	635,566	5.1 %	314,455	2.8 %
Equity income from unconsolidated subsidiaries	212,132	3.3 %	19,480	0.4 %	295,726	2.4 %	40,111	0.4 %
Other income	12,045	0.2 %	5,220	0.1 %	14,777	0.1 %	5,027	0.0 %
Interest expense, net of interest income	13,772	0.3 %	17,950	0.3 %	23,878	0.2 %	33,966	0.3 %
Income before provision for income taxes	576,887	8.9 %	100,915	1.9 %	922,191	7.4 %	325,627	2.9 %
Provision for income taxes	133,445	2.0 %	18,803	0.4 %	209,772	1.7 %	69,985	0.6 %
Net income	443,442	6.9 %	82,112	1.5 %	712,419	5.7 %	255,642	2.3 %
Less: Net income attributable to non-controlling interests	805	0.0 %	215	0.0 %	3,580	0.0 %	1,550	0.0 %
Net income attributable to CBRE Group, Inc.	$ 442,637	6.9 %	$ 81,897	1.5 %	$ 708,839	5.7 %	$ 254,092	2.3 %
Adjusted EBITDA	$ 718,371	11.1 %	$ 267,304	5.0 %	$ 1,209,515	9.8 %	$ 697,655	6.2 %

(1) See discussion in segment operations for organization changes effective January 1, 2021. Prior period results have been recast to conform with these changes.

Net revenue 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 net revenue and adjusted EBITDA may not be comparable to similarly titled measures of other companies.

Net revenue is gross revenue less costs largely associated with subcontracted vendor work performed for clients and generally has no margin. Prior to 2021, the company utilized fee revenue to analyze the overall financial performance. This metric excluded additional reimbursed costs, primarily related to employees dedicated to clients, some of which included minimal margin.

We use adjusted EBITDA as an indicator of consolidated financial performance. It represents earnings before net interest expense, write-off of financing costs on extinguished debt, income taxes, depreciation and amortization, asset impairments, adjustments related to certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue, fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in the period, costs incurred related to legal entity restructuring, costs associated with workforce optimization efforts and integration and other costs related to acquisitions. 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.

Adjusted EBITDA is not intended to be a measure of free cash flow for our discretionary use because it does not consider certain cash requirements such as tax and debt service payments. This measure may also differ from the amounts calculated under similarly titled definitions in our credit facilities and debt instruments, which 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. We also use adjusted EBITDA as a significant component when measuring our operating performance under our employee incentive compensation programs.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income attributable to CBRE Group, Inc.	$ 442,637	$ 81,897	$ 708,839	$ 254,092
Add:				
Depreciation and amortization	119,085	116,384	241,163	230,178
Asset impairments	—	—	—	75,171
Interest expense, net of interest income	13,772	17,950	23,878	33,966
Provision for income taxes	133,445	18,803	209,772	69,985
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	1,672	(7,500)	17,004	(15,284)
Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in the period	(374)	1,247	725	7,000
Costs incurred related to legal entity restructuring	—	693	—	3,934
Integration and other costs related to acquisitions	8,134	236	8,134	1,019
Costs associated with workforce optimization efforts [(1)]	—	37,594	—	37,594
Adjusted EBITDA	$ 718,371	$ 267,304	$ 1,209,515	$ 697,655

(1) Primarily represents costs incurred related to workforce optimization initiated and executed in the second quarter of 2020 as part of management's cost containment efforts in response to the Covid-19 pandemic. The charges are cash expenditures primarily for severance costs incurred related to this effort. of the total costs, $7.4 million was included within the "Cost of revenue" line item and $30.2 million was included in the "Operating, administrative and other" line item in the accompanying consolidated statements of operations for both the three and six months ended June 30, 2020.

Three Months Ended June 30, 2021 Compared to the Three Months Ended June 30, 2020

We reported consolidated net income of $442.6 million for the three months ended June 30, 2021 on revenue of $6.5 billion as compared to consolidated net income of $81.9 million on revenue of $5.4 billion for the three months ended June 30, 2020.

Our revenue on a consolidated basis for the three months ended June 30, 2021 increased by $1.1 billion, or 20.0%, as compared to the three months ended June 30, 2020. The revenue increase reflects growth across the three business segments; increases in revenue in our Global Workplace Solutions segment due to growth in our facilities management and project management business, increases in our Advisory Services segment with notable growth in sales commission supported by a moderate growth in other advisory services such as lease revenue, property management and valuation services, and increases in asset management fees and development and construction revenue. Foreign currency translation had a 4.6% positive impact on total revenue during the three months ended June 30, 2021, primarily driven by strength in the Canadian dollar, British pound sterling and euro, partially offset by weakness in the Argentine peso, and Japanese Yen.

Our cost of revenue on a consolidated basis increased by $617.2 million, or 14.0%, during the three months ended June 30, 2021 as compared to the same period in 2020. This increase was primarily due to higher costs associated with our Global Workplace Solutions segment due to growth in our facilities management and project management business and higher commission expense associated with our Advisory Services segment due to growth in our sales and leasing business. In addition, foreign currency translation had a 4.2% negative impact on total cost of revenue during the three months ended June 30, 2021. Cost of revenue as a percentage of revenue decreased to 77.7% for the three months ended June 30, 2021 from 81.8% for the three months ended June 30, 2020, primarily driven by the Advisory Services segment where revenue growth has outpaced fixed cost growth.

Our operating, administrative and other expenses on a consolidated basis increased by $186.4 million, or 24.2%, during the three months ended June 30, 2021 as compared to the same period in 2020. The increase was primarily due to an increase in overall bonus accrual, other incentive compensation, and stock compensation expense tied to significant growth in performance this quarter as compared to the three months ended June 30, 2020 when the operating results were impacted by the pandemic. Foreign currency translation had a 4.5% negative impact on total operating, administrative and other expenses during the three months ended June 30, 2021. Operating expenses as a percentage of revenue increased slightly to 14.8% for the three months ended June 30, 2021 from 14.3% for the three months ended June 30, 2020.

Our depreciation and amortization expense on a consolidated basis increased by $2.7 million, or 2.3%, during the three months ended June 30, 2021 as compared to the same period in 2020. This increase was primarily attributable to higher amortization expense associated with mortgage servicing rights.

Our gain on disposition of real estate on a consolidated basis was $0.9 million for the three months ended June 30, 2021, which was an increase over the prior year period. These gains resulted from property sales within our Real Estate Investments segment.

Our equity income from unconsolidated subsidiaries on a consolidated basis increased by $192.7 million, or 989.0%, during the three months ended June 30, 2021 as compared to the same period in 2020, primarily driven by higher equity earnings associated with gains on property sales reported in our Real Estate Investments segment and higher equity pick up associated with certain equity investments reported in our Corporate and other segment.

Our consolidated interest expense, net of interest income, decreased by $4.2 million, or 23.3%, for the three months ended June 30, 2021 as compared to the same period in 2020. This decrease was primarily due to interest expense associated with the 5.25% senior note which was fully paid off in December 2020, and offset by interest expense associated with the 2.500% senior note issued in the first half of 2021.

Our provision for income taxes on a consolidated basis was $133.4 million for the three months ended June 30, 2021 as compared to $18.8 million for the same period in 2020. The increase in tax expense for the three months ended June 30, 2021 of $114.6 million was primarily related to the corresponding increase in our consolidated pre-tax book income. Our effective tax rate increased to 23.1% for the three months ended June 30, 2021 from 18.6% for the three months ended June 30, 2020 primarily resulted from a percentage decrease of favorable permanent book tax differences and tax credits in 2021.

Six Months Ended June 30, 2021 Compared to the Six Months Ended June 30, 2020

We reported consolidated net income of $708.8 million for the six months ended June 30, 2021 on revenue of $12.4 billion as compared to consolidated net income of $254.1 million on revenue of $11.3 billion for the six months ended June 30, 2020.

Our revenue on a consolidated basis for the six months ended June 30, 2021 increased by $1.1 billion, or 10.0%, as compared to the six months ended June 30, 2020. The revenue increase reflects higher revenue in our Global Workplace Solutions segment (up 5.9%) led by growth in our facilities management line of business, driven by its contractual nature, an increase in higher revenue in our Advisory Services segment led primarily by higher sales (increase of 48.8% as compared to the same period in 2020) with an overall increase in its other advisory services, and improved revenue in our Real Estate Investments segment (up 21.8%) largely due to an increase in sales in our development services line of business and investment management fees related to growth in AUM. Foreign currency translation had a 3.3% positive impact on total revenue during the six months ended June 30, 2021, primarily driven by strength in the Australian dollar, British pound sterling and euro, partially offset by weakness in the Argentine peso and Brazilian real.

Our cost of revenue on a consolidated basis increased by $624.1 million, or 6.8%, during the six months ended June 30, 2021 as compared to the same period in 2020. This increase was primarily due to higher costs associated with our Global Workplace Solutions segment due to growth in our facilities management and project management business and higher costs associated with our Advisory Services segment due to growth in our sales and leasing business. Foreign currency translation had a 3.1% negative impact on total cost of revenue during the six months ended June 30, 2021. Cost of revenue as a percentage of revenue decreased to 78.5% for the six months ended June 30, 2021 from 80.8% for the six months ended June 30, 2020. This was primarily due to Advisory Services segment where revenue growth has outpaced increase in fixed costs.

Our operating, administrative and other expenses on a consolidated basis increased by $224.7 million, or 14.4%, for the six months ended June 30, 2021 as compared to the same period in 2020. The increase was primarily due to an increase in overall bonus accrual, other incentive compensation, and stock compensation expense tied to significant improvement in the business performance during the six months ended June 30, 2021 as compared to six months ended June 30, 2020. Foreign currency translation also had a 3.5% negative impact on total operating expenses during the six months ended June 30, 2021. Operating expenses as a percentage of revenue increased to 14.4% for the six months ended June 30, 2021 from 13.8% for the six months ended June 30, 2020, primarily due to increased performance driven incentive expense partially offset by a decrease in discretionary expense such as travel and marketing.

Our depreciation and amortization expense on a consolidated basis increased by $11.0 million, or 4.8%, during the six months ended June 30, 2021 as compared to the same period in 2020. This increase was primarily attributable to a rise in amortization expense related to higher mortgage servicing rights and loan payoffs.

We did not incur any asset impairments during the six months ended June 30, 2021. Our asset impairments on a consolidated basis totaled $75.2 million for the six months ended June 30, 2020 and consisted of a non-cash goodwill impairment charge of $25.0 million in our Real Estate Investments segment and $50.2 million of non-cash asset impairment charges in our Global Workplace Solutions segment. During 2020, we deemed there to be triggering events in the first quarter of 2020 that required testing of certain assets for impairment at that time. Based on these tests, we recorded the aforementioned non-cash impairment charges, which were driven by lower anticipated cash flows in certain businesses directly resulting from a downturn in forecasts as well as increased forecast risk due to Covid-19.

Our gain on disposition of real estate on a consolidated basis decreased by $21.3 million, or 95.1%, during the six months ended June 30, 2021 as compared to the same period in 2020. These gains resulted from decreased activity related to property sales within our Real Estate Investments segment.

Our equity income from unconsolidated subsidiaries on a consolidated basis increased by $255.6 million, or 637.3%, during the six months ended June 30, 2021 as compared to the same period in 2020, primarily driven by higher equity earnings associated with gains on property sales reported in our Real Estate Investments segment and higher equity pick ups associated with certain equity investments reported in our Corporate and other segment.

Our consolidated interest expense, net of interest income, decreased by $10.1 million, or 29.7%, for the six months ended June 30, 2021 as compared to the same period in 2020. This decrease was primarily due to interest expense associated with the 5.25% senior note which was fully paid off in December 2020, and offset by interest expense associated with the 2.500% senior note issued in the first half of 2021.

Our provision for income taxes on a consolidated basis was $209.8 million for the six months ended June 30, 2021 as compared to $70.0 million for the six months ended June 30, 2020. The increase of approximately $139.8 million was primarily related to the corresponding increase in consolidated pre-tax book income. Our effective tax rate increased to 22.7% for the six months ended June 30, 2021 from 21.5% for the six months ended June 30, 2020 primarily resulted from a percentage decrease of favorable permanent book tax differences and tax credits in 2021. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in the United States in response to the Covid-19 pandemic. The CARES Act has not had, nor is it expected to have, a significant impact on our effective tax rate for 2021.

Segment Operations

We organize our operations around, and publicly report our financial results on, three global business segments: (1) Advisory Services; (2) Global Workplace Solutions; and (3) Real Estate Investments. Effective January 1, 2021, we have realigned our organizational structure and performance measure to how our chief operating decision maker views the company. This includes a “Corporate, other and eliminations” component and a segment measurement of profit and loss referred to as segment operating profit.

Advisory Services provides a comprehensive range of services globally, including property leasing, property sales, mortgage services, property management, and valuation. Global Workplace Solutions provides a broad suite of integrated, contractually-based outsourcing services to occupiers of real estate, including facilities management and project management. Effective January 1, 2021, transaction services was fully moved under the Advisory Services segment and project management was fully moved under the Global Workplace Solutions segment. Previously transaction services and project management were split between the Global Workplace Solutions segment and the Advisory Services segment. Real Estate Investments includes investment management services provided globally, development services in the U.S. and U.K. and flexible office space solutions. Corporate and other includes activities not attributed to our core business, primarily consisting of corporate headquarters costs for executive officers and certain other central functions. These costs are not allocated to the other business segments. It also includes eliminations related to inter-segment revenue. Prior period segment results for all of our reportable segments have been recast to conform to the above changes. For additional information on our segments, see Note 14 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report.

Advisory Services

The following table summarizes our results of operations for our Advisory Services operating segment for the three and six months ended June 30, 2021 and 2020 (dollars in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021		2020		2021		2020	
Revenue:								
Net revenue:								
Property management	$ 421,378	19.7 %	$ 395,789	27.2 %	$ 829,947	21.6 %	$ 795,141	24.4 %
Valuation	181,226	8.5 %	131,837	9.1 %	340,816	8.9 %	279,575	8.6 %
Loan servicing	65,894	3.1 %	57,050	3.9 %	134,736	3.5 %	113,730	3.5 %
Advisory leasing	692,908	32.4 %	521,778	35.9 %	1,213,124	31.6 %	1,146,806	35.2 %
Capital markets:								
Advisory sales	611,834	28.6 %	243,007	16.7 %	1,004,146	26.1 %	674,676	20.7 %
Commercial mortgage origination	161,879	7.6 %	100,450	6.9 %	301,743	7.8 %	223,541	6.9 %
Total segment net revenue	2,135,119	99.9 %	1,449,911	99.7 %	3,824,512	99.5 %	3,233,469	99.3 %
Pass through costs also recognized as revenue	1,866	0.1 %	4,321	0.3 %	20,485	0.5 %	23,450	0.7 %
Total segment revenue	2,136,985	100.0 %	1,454,232	100.0 %	3,844,997	100.0 %	3,256,919	100.0 %
Costs and expenses:								
Cost of revenue	1,231,819	57.6 %	889,740	61.2 %	2,219,396	57.7 %	1,943,913	59.7 %
Operating, administrative and other	443,611	20.8 %	376,335	25.9 %	832,218	21.6 %	795,592	24.4 %
Depreciation and amortization	74,169	3.5 %	72,218	5.0 %	143,923	3.7 %	142,795	4.4 %
Operating income	387,386	18.1 %	115,939	7.9 %	649,460	17.0 %	374,619	11.5 %
Equity income from unconsolidated subsidiaries	2,149	0.1 %	1,293	0.1 %	2,899	0.2 %	2,328	0.1 %
Other income	801	0.0 %	185	0.0 %	802	0.0 %	3,096	0.1 %
Less: Net income attributable to non-controlling interests	208	0.0 %	182	0.0 %	487	0.0 %	421	0.0 %
Add-back: Depreciation and amortization	74,169	3.5 %	72,218	5.0 %	143,923	3.7 %	142,795	4.4 %
Adjustments:								
Costs associated with workforce optimization efforts (1)	—	0.0 %	12,659	0.9 %	—	0.0 %	12,659	0.4 %
Segment operating profit and segment operating profit on revenue margin	$ 464,297	21.7 %	$ 202,112	13.9 %	$ 796,597	20.7 %	$ 535,076	16.4 %
Segment operating profit on net revenue margin		21.7 %		13.9 %		20.8 %		16.5 %

(1) Primarily represents costs incurred related to workforce optimization initiated and executed in the second quarter of 2020 as part of management's cost containment efforts in response to the Covid-19 pandemic. The charges are cash expenditures primarily for severance costs incurred related to this effort. of the total costs, $6.3 million was included within the "Cost of revenue" line item and $6.4 million was included in the "Operating, administrative and other" line item in the accompanying consolidated statements of operations for both the three and six months ended June 30, 2020.

Three Months Ended June 30, 2021 Compared to the Three Months Ended June 30, 2020

Revenue increased by $682.8 million, or 46.9%, for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. The revenue increase primarily reflects higher sales and leasing revenue, as well as increase in commercial mortgage origination activity, property management fees and valuation revenue. Foreign currency translation had a 5.2% positive impact on total revenue during the three months ended June 30, 2021, primarily driven by strength in the Australian dollar and euro, partially offset by weakness in the Japanese yen.

Cost of revenue increased by $342.1 million, or 38.4%, for the three months ended June 30, 2021 as compared to the same period in 2020, primarily due to increased commission expense resulting from higher sales and leasing revenue. Foreign currency translation had a 4.8% negative impact on total cost of revenue during the three months ended June 30, 2021. Cost of revenue as a percentage of revenue decreased to 57.6% for the three months ended June 30, 2021 versus 61.2% for the same period in 2020 This increase in gross margin is primarily due to revenue growth outpacing fixed cost growth.

Operating, administrative and other expenses increased by $67.3 million, or 17.9%, for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. This increase was primarily due to overall bonus accrual, other incentive compensation, and stock compensation expense tied to better operating results this quarter as compared to three months ended June 30, 2020. In addition, there has been an increase in new hires to support the growth of the business. Foreign currency translation had a 4.9% negative impact on total operating expenses during the three months ended June 30, 2021.

In connection with the origination and sale of mortgage loans for which the company retains servicing rights, we record servicing assets or liabilities based on the fair value of the retained mortgage servicing rights (MSRs) on the date the loans are sold. Upon origination of a mortgage loan held for sale, the fair value of the mortgage servicing rights to be retained is included in the forecasted proceeds from the anticipated loan sale and results in a net gain (which is reflected in revenue). Subsequent to the initial recording, MSRs are amortized (within amortization expense) and carried at the lower of amortized cost or fair value in other intangible assets in the accompanying consolidated balance sheets. They are amortized in proportion to and over the estimated period that the servicing income is expected to be received. For the three months ended June 30, 2021, MSRs contributed to operating income $41.8 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $39.7 million of amortization of related intangible assets. For the three months ended June 30, 2020, MSRs contributed to operating income $37.7 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $31.9 million of amortization of related intangible assets.

Six Months Ended June 30, 2021 Compared to the Six Months Ended June 30, 2020

Revenue increased by $0.6 billion, or 18.1%, for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020. The revenue increase primarily reflects higher sales and leasing revenue, as well as increase in commercial mortgage origination activity, property management and valuation revenue. Foreign currency translation had a 3.4% positive impact on total revenue during the six months ended June 30, 2021, primarily driven by strength in Australian dollar, British pound sterling and euro, partially offset by weakness in the Brazilian real.

Cost of revenue increased by $275.5 million, or 14.2%, for the six months ended June 30, 2021 as compared to the same period in 2020, primarily due to increased commission expense resulting from higher sales and leasing revenue and increased professional compensation to support the growth in the business. Foreign currency translation also had a 3.4% negative impact on total cost of revenue during the six months ended June 30, 2021. Cost of revenue as a percentage of revenue decreased slightly to 57.7% for the six months ended June 30, 2021 from 59.7% for the six months ended June 30, 2020.

Operating, administrative and other expenses increased by $36.6 million, or 4.6%, for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020. This increase was primarily due to overall bonus accrual, other incentive compensation, and stock compensation expense tied to better operating results this period as compared to six months ended June 30, 2020. This was offset by a decrease in certain operating expenses such as travel and entertainment and salaries for office and administrative staff due to cost cutting measures that were implemented last year. Foreign currency translation also had a 3.5% negative impact on total operating expenses during the six months ended June 30, 2021.

For the six months ended June 30, 2021, MSRs contributed to operating income $92.1 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $75.5 million of amortization of related intangible assets. For the six months ended June 30, 2020, MSRs contributed to operating income $73.3 million of gains recognized in conjunction with the origination and sale of mortgage loans, offset by $62.4 million of amortization of related intangible assets.

Global Workplace Solutions

The following table summarizes our results of operations for our Global Workplace Solutions operating segment for the three and six months ended June 30, 2021 and 2020 (dollars in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021		2020		2021		2020	
Revenue:								
Net revenue:								
Facilities management	$ 1,199,657	29.4 %	$ 1,087,657	28.8 %	$ 2,356,146	29.1 %	$ 2,201,715	28.8 %
Project management	338,011	8.3 %	293,386	7.8 %	646,128	8.0 %	625,048	8.1 %
Total segment net revenue	1,537,668	37.7 %	1,381,043	36.6 %	3,002,274	37.0 %	2,826,763	36.9 %
Pass through costs also recognized as revenue	2,545,054	62.3 %	2,389,390	63.4 %	5,106,331	63.0 %	4,828,199	63.1 %
Total segment revenue	4,082,722	100.0 %	3,770,433	100.0 %	8,108,605	100.0 %	7,654,962	100.0 %
Costs and expenses:								
Cost of revenue	3,729,624	91.4 %	3,483,401	92.4 %	7,427,397	91.6 %	7,094,955	92.7 %
Operating, administrative and other	193,284	4.7 %	163,944	4.3 %	369,295	4.6 %	330,624	4.3 %
Depreciation and amortization	32,547	0.8 %	32,475	0.9 %	67,006	0.8 %	64,916	0.8 %
Asset impairments	—	0.0 %	—	0.0 %	—	0.0 %	50,171	0.7 %
Operating income	127,267	3.1 %	90,613	2.4 %	244,907	3.0 %	114,296	1.5 %
Equity income (loss) from unconsolidated subsidiaries	416	0.0 %	(401)	0.0 %	234	0.0 %	116	0.0 %
Other income (loss)	1,805	0.0 %	(54)	0.0 %	2,071	0.0 %	115	0.0 %
Less: Net income attributable to non-controlling interests	17	0.0 %	21	0.0 %	23	0.0 %	35	0.0 %
Add-back: Depreciation and amortization	32,547	0.8 %	32,475	0.9 %	67,006	0.8 %	64,916	0.8 %
Add-back: Asset impairments	—	0.0 %	—	0.0 %	—	0.0 %	50,171	0.7 %
Adjustments:								
Costs associated with workforce optimization efforts [(1)]	—	0.0 %	4,878	0.1 %	—	0.0 %	4,878	0.1 %
Integration and other costs related to acquisitions	8,134	0.2 %	—	0.0 %	8,134	0.1 %	—	0.0 %
Segment operating profit and segment operating profit on revenue margin	$ 170,152	4.1 %	$ 127,490	3.4 %	$ 322,329	3.9 %	$ 234,457	3.1 %
Segment operating profit on net revenue margin		11.1 %		9.2 %		10.7 %		8.3 %

(1) Primarily represents costs incurred related to workforce optimization initiated and executed in the second quarter of 2020 as part of management's cost containment efforts in response to the Covid-19 pandemic. The charges are cash expenditures primarily for severance costs incurred related to this effort. of the total costs, $1.2 million was included within the "Cost of revenue" line item and $3.8 million was included in the "Operating, administrative and other" line item in the accompanying consolidated statements of operations for both the three and six months ended June 30, 2020.

Three Months Ended June 30, 2021 Compared to the Three Months Ended June 30, 2020

Revenue increased by $312.3 million, or 8.3%, for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. The increase was primarily attributable to growth in our facilities management line of business, which is contractual in nature. Foreign currency translation had a 4.0% positive impact on total revenue during the three months ended June 30, 2021, primarily driven by weakness in the Argentine peso, partially offset by strength in the British pound sterling and euro.

Cost of revenue increased by $246.2 million, or 7.1%, for the three months ended June 30, 2021 as compared to the same period in 2020, driven by the higher revenue leading to higher pass through costs and higher professional compensation. Foreign currency translation had a 3.9% negative impact on total cost of revenue during the three months ended June 30, 2021. Cost of revenue as a percentage of revenue decreased slightly to 91.4% for the three months ended June 30, 2021 from 92.4% for the same period in 2020.

Operating, administrative and other expenses increased by $29.3 million, or 17.9%, for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. This increase was attributable to higher bonus accrual tied to segment and consolidated results and continued investments to sustain the growth in the business. Foreign currency translation had a 4.8% negative impact on total operating expenses during the three months ended June 30, 2021.

Six Months Ended June 30, 2021 Compared to the Six Months Ended June 30, 2020

Revenue increased by $453.6 million, or 5.9%, for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020. The increase was primarily attributable to growth in our facilities management line of business, which is contractual in nature. Foreign currency translation had a 3.0% positive impact on total revenue during the six months ended June 30, 2021, primarily driven by weakness in the Argentine peso and Brazilian real, partially offset by strength in the British pound sterling and euro.

Cost of revenue increased by $332.4 million, or 4.7%, for the six months ended June 30, 2021 as compared to the same period in 2020, driven by the higher revenue leading to higher pass through costs and increased professional compensation. Foreign currency translation had a 2.9% negative impact on total cost of revenue during the six months ended June 30, 2021. Cost of revenue as a percentage of revenue decreased slightly to 91.6% for the six months ended June 30, 2021 from 92.7% for the six months ended June 30, 2020.

Operating, administrative and other expenses increased by $38.7 million, or 11.7%, for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020. This increase was attributable to higher bonus accrual tied to segment and consolidated results and continued investments to sustain the growth in the business in form of office management and administrative salaries. These increases were partially offset by benefits from targeted reduction in certain operating expenses, such as travel and entertainment costs, during the six months ended June 30, 2021. Foreign currency translation also had a 3.6% negative impact on total operating expenses during the six months ended June 30, 2021.

Real Estate Investments

The following table summarizes our results of operations for our Real Estate Investments operating segment for the three and six months ended June 30, 2021 and 2020 (dollars in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021		2020		2021		2020	
Revenue:								
Investment management	$ 139,271	57.2 %	$ 103,132	63.8 %	$ 271,342	59.7 %	$ 224,809	60.3 %
Development services	104,092	42.8 %	58,479	36.2 %	183,150	40.3 %	148,272	39.7 %
Total segment revenue	243,363	100.0 %	161,611	100.0 %	454,492	100.0 %	373,081	100.0 %
Costs and expenses:								
Cost of revenue	56,970	23.4 %	30,021	18.6 %	97,960	21.6 %	85,070	22.8 %
Operating, administrative and other	235,275	96.7 %	127,618	79.0 %	416,255	91.6 %	277,778	74.5 %
Depreciation and amortization	5,523	2.3 %	4,693	2.8 %	15,953	3.5 %	9,137	2.4 %
Asset impairments	—	0.0 %	—	0.0 %	—	0.0 %	25,000	6.7 %
Gain (loss) on disposition of real estate	929	0.4 %	(492)	(0.3) %	1,085	0.2 %	22,335	6.0 %
Operating loss	(53,476)	(22.0 %)	(1,213)	(0.7 %)	(74,591)	(16.5 %)	(1,569)	(0.4 %)
Equity income from unconsolidated subsidiaries	198,173	81.4 %	21,296	13.2 %	255,067	56.1 %	40,198	10.8 %
Other income (loss)	2,525	1.0 %	735	0.5 %	2,952	0.6 %	(1,904)	(0.5) %
Less: Net income attributable to non-controlling interests	580	0.2 %	12	0.0 %	3,070	0.7 %	1,094	0.3 %
Add-back: Depreciation and amortization	5,523	2.3 %	4,693	2.9 %	15,953	3.5 %	9,137	2.4 %
Add-back: Asset impairments	—	0.0 %	—	0.0 %	—	0.0 %	25,000	6.7 %
Adjustments:								
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	1,672	0.7 %	(7,500)	(4.6 %)	17,004	3.7 %	(15,284)	(4.1 %)
Impact of fair value adjustments to real estate assets acquired in the Telford Acquisition (purchase accounting) that were sold in period	(374)	(0.2) %	1,247	0.8 %	725	0.2 %	7,000	1.9 %
Integration and other costs related to acquisitions	—	0.0 %	236	0.1 %	—	0.0 %	1,019	0.3 %
Costs associated with workforce optimization efforts [(1)]	—	0.0 %	5,172	3.2 %	—	0.0 %	5,172	1.4 %
Segment operating profit	$ 153,463	63.0 %	$ 24,654	15.4 %	$ 214,040	46.9 %	$ 67,675	18.2 %

(1) Primarily represents costs incurred related to workforce optimization initiated and executed in the second quarter of 2020 as part of management's cost containment efforts in response to the Covid-19 pandemic. The charges are cash expenditures primarily for severance costs incurred related to this effort and were included in the "Operating, administrative and other" line item in the accompanying consolidated statements of operations for both the three and six months ended June 30, 2020.

Three Months Ended June 30, 2021 Compared to the Three Months Ended June 30, 2020

Revenue increased by $81.8 million, or 50.6%, for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020, primarily driven by an increase in real estate sales and an increase in construction management fees in our development services line of business. Investment management fees increased due to growth in AUM. Foreign currency translation had a 10.6% positive impact on total revenue during the three months ended June 30, 2021, primarily driven by strength in the British pound sterling and euro.

Cost of revenue increased by $26.9 million, or 89.8%, for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020, primarily driven by an increase in cost related to real estate development and construction services which is consistent with an increase in sales in our development service line of business. Foreign currency translation had a 20.4% negative impact on total cost of revenue during the three months ended June 30, 2021.

Operating, administrative and other expenses increased by $107.7 million, or 84.4%, for the three months ended June 30, 2021 as compared to the same period in 2020, primarily due to an increase in compensation and bonuses in our development services and investment management line of business consistent with higher revenue growth. Foreign currency translation had a 6.5% negative impact on total operating expenses during the three months ended June 30, 2021.

A roll forward of our AUM by product type for the three months ended June 30, 2021 is as follows (dollars in billions):

	Funds	Separate Accounts	Securities	Total
Balance at March 31, 2021	$ 47.8	$ 68.4	$ 8.3	$ 124.5
Inflows	1.9	2.8	0.5	5.2
Outflows	(1.2)	(1.7)	(0.7)	(3.6)
Market appreciation	1.1	1.1	0.8	3.0
Balance at June 30, 2021	$ 49.6	$ 70.6	$ 8.9	$ 129.1

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.

Six Months Ended June 30, 2021 Compared to the Six Months Ended June 30, 2020

Revenue increased by $81.4 million, or 21.8%, for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020, primarily driven by an increase in real estate sales in our development services line of business and investment management fees related to growth in AUM. Foreign currency translation had a 6.8% positive impact on total revenue during the six months ended June 30, 2021, primarily driven by strength in the British pound sterling and euro.

Cost of revenue increased by $12.9 million, or 15.2%, for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020, primarily driven by an increase in real estate development which is consistent with an increase in sales in our development service line of business. Foreign currency translation had a 9.6% negative impact on total cost of revenue during the three months ended June 30, 2021.

Operating, administrative and other expenses increased by $138.5 million, or 49.9%, for the six months ended June 30, 2021 as compared to the same period in 2020, primarily due to an increase in compensation and bonuses in our development services and investment management line of business consistent with higher revenue growth. These increases are partially offset by decreases in certain operating expenses, such as travel and entertainment costs, as a result of Covid-19. Foreign currency translation had a 5.0% negative impact on total operating expenses during the six months ended June 30, 2021.

A roll forward of our AUM by product type for the six months ended June 30, 2021 is as follows (dollars in billions):

	Funds	Separate Accounts	Securities	Total
Balance at January 1, 2021	$ 47.2	$ 67.9	$ 7.6	$ 122.7
Inflows	3.1	4.6	1.0	8.7
Outflows	(1.8)	(2.8)	(1.0)	(5.6)
Market appreciation	1.1	0.9	1.3	3.3
Balance at June 30, 2021	$ 49.6	$ 70.6	$ 8.9	$ 129.1

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.

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. We expect our capital requirements for 2021 to be between $200 million and $240 million of anticipated capital expenditures, net of tenant concessions. During the six months ended June 30, 2021, we incurred $63.1 million of capital expenditures, net of tenant concessions received, which includes approximately $15.8 million related to technology enablement. As of June 30, 2021, we had aggregate commitments of $118.7 million to fund future co-investments in our Real Estate Investments business, $25.4 million of which is expected to be funded in 2021. Additionally, as of June 30, 2021, we are committed to fund $55.5 million of additional capital to unconsolidated subsidiaries within our Real Estate Investments business, which we may be required to fund at any time. As of June 30, 2021, we had $2.8 billion of borrowings available under our revolving credit facility and $2.0 billion of cash and cash equivalents available for general corporate use. On July 9, 2021, the revolving credit facility was increased by $350.0 million.

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. Given 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, the negative effect of difficult market conditions 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. 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.

In December 2020, we redeemed the $425.0 million aggregate outstanding principal amount of our 5.25% senior notes due 2025 in full. We funded this redemption using cash on hand. In March 2021, we took advantage of favorable market conditions and low interest rates and conducted a new issuance for $500.0 million in aggregate principal amount of 2.500% senior notes due 2031. We may again seek to take advantage of market opportunities to refinance existing debt instruments with new debt instruments at interest rates, maturities and terms we deem attractive.

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 three elements. The first is the repayment of the outstanding and anticipated principal amounts of our long-term indebtedness. If our cash flow is insufficient to repay our long-term debt when it comes due, 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 consideration in future periods that are subject to the passage of time or achievement of certain performance metrics and other conditions. As of June 30, 2021, we had accrued deferred purchase consideration totaling $125.6 million ($36.0 million of which was a current liability), which was included in “Accounts payable and accrued expenses” and in “Other liabilities” in the accompanying consolidated balance sheets set forth in Item 1 of this Quarterly Report.

Lastly, as described in our 2020 Annual Report, our board of directors authorized a program for the repurchase of up to $500.0 million of our Class A common stock over three years. As of December 31, 2020, $350.0 million was available for share repurchases under the authorized repurchase program. During the three months ended March 31, 2021, we spent $64.1 million to repurchase, through a stock repurchase plan entered into pursuant to Rule 10b5-1 under the Exchange Act, 831,274 shares of our Class A common stock with an average price paid per share of $77.15. During the three months ended June 30, 2021, we spent $24.1 million to repurchase an additional 300,454 shares of our Class A common stock with an average price paid per share of $80.31. As of June 30, 2021, we had $261.7 million of capacity remaining under our repurchase program. Our stock repurchases have been funded with cash on hand and we intend to continue funding future repurchases with existing cash. We may utilize our stock repurchase program to continue offsetting the impact of our stock-based compensation program and on a more opportunistic basis if we believe our stock presents a compelling investment compared to other discretionary uses. The timing of any future repurchases and the actual amounts repurchased will depend on a variety of factors, including the market price of our common stock, general market and economic conditions and other factors.

Historical Cash Flows

Operating Activities

Net cash provided by operating activities totaled $227.1 million for the six months ended June 30, 2021, an increase of $203.0 million as compared to the six months ended June 30, 2020. The primary drivers that contributed to the net increase were an overall improvement in the company's performance and elevated distributions of earnings from unconsolidated subsidiaries (mainly due to certain transactions that occurred in second quarter in the REI segment). These were partially offset by increased outflows related to changes in net working capital of approximately $124.6 million and an increase in real estate under development of approximately $28.6 million. The increased real estate development activities are due to better market opportunities as compared to a pandemic affected environment during the same period last year. The impact from net working capital was largely attributable to an increase in accounts receivable, supplemented by a lower incentive compensation payout, partially offset by a larger net decrease in accounts payable and accrued expenses, and net income tax payment this period as compared to a net refund during the six months ended June 30, 2020.

Investing Activities

Net cash used in investing activities totaled $344.5 million for the six months ended June 30, 2021, an increase of $208.5 million as compared to the six months ended June 30, 2020. This increase was primarily driven by our investment in Industrious, uptick in mergers and acquisitions related activities, and approximately $27.8 million in lower distributions received from unconsolidated subsidiaries compared to 2020.

Financing Activities

Net cash provided by financing activities totaled $379.0 million for the six months ended June 30, 2021, an increase of $20.2 million as compared to the six months ended June 30, 2020. The increase was primarily due to the net proceeds of $492.3 million from the issuance of our 2.500% senior notes during 2021 as compared to net proceeds from our revolving credit facility of $451.0 million for the six months ended June 30, 2020. In addition, we received approximately $25.8 million from the issuance of note payables related to various real estate development activities during 2021, which was partially offset by additional funds that were used to repurchase shares during the six months ended June 30, 2021 as compared to same period in 2020.

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 March 4, 2019, CBRE Services, Inc. (CBRE Services) entered into an incremental assumption agreement with respect to its credit agreement, dated October 31, 2017 (such agreement, as amended by a December 20, 2018 incremental loan assumption agreement and such March 4, 2019 incremental assumption agreement, is collectively referred to in this Quarterly Report as the 2019 Credit Agreement), which (i) extended the maturity of the U.S. dollar tranche A term loans under such credit agreement, (ii) extended the termination date of the revolving credit commitments available under such credit agreement and (iii) made certain changes to the interest rates and fees applicable to such tranche A term loans and revolving credit commitments under such credit agreement. The proceeds from the new tranche A term loan facility under the 2019 Credit Agreement were used to repay the $300.0 million of tranche A term loans outstanding under the credit agreement in effect prior to the entry into the 2019 incremental assumption agreement.

The 2019 Credit Agreement is a senior unsecured credit facility that is guaranteed by us. As of June 30, 2021, the 2019 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 terminates on March 4, 2024; (2) a $300.0 million tranche A term loan facility maturing on March 4, 2024, requiring quarterly principal payments unless our leverage ratio (as defined in the 2019 Credit Agreement) is less than or equal to 2.50 to 1.00 on the last day of the fiscal quarter immediately preceding any such payment date and (3) a €400.0 million term loan facility due and payable in full at maturity on December 20, 2023.

On July 9, 2021, CBRE Services entered into an incremental assumption agreement with respect to the 2019 Credit Agreement for purposes of increasing the revolving credit commitments available under the 2019 Credit Agreement by an aggregate principal amount of $350.0 million.

On March 18, 2021, CBRE Services issued $500.0 million in aggregate principal amount of 2.500% senior notes due April 1, 2031 at a price equal to 98.451% of their face value (the 2.500% senior notes). The 2.500% senior notes are unsecured obligations of CBRE Services, senior to all of its current and future subordinated indebtedness, but effectively subordinated to all of its current and future secured indebtedness. Interest accrues at a rate of 2.500% per year and is payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2021. The 2.500% senior notes are redeemable at our option, in whole or in part, on or after January 1, 2031 at a redemption price of 100% of the principal amount on that date, plus accrued and unpaid interest, if any, to, but excluding the date of redemption. At any time prior to January 1, 2031, we may redeem all or a portion of the notes at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present value at the date of redemption of the remaining scheduled payments of principal and interest thereon to January 1, 2031, assuming the notes matured on January 1, 2031, discounted to the date of redemption on a semi-annual basis at an adjusted rate equal to the treasury rate plus 20 basis points, minus accrued and unpaid interest to, but excluding, the date of redemption, plus, in either case, accrued and unpaid interest, if any, to, but not including, the redemption date. The amount of the 2.500% senior notes, net of unamortized discount and unamortized debt issuance costs, included in the accompanying consolidated balance sheet was $487.6 million at June 30, 2021.

On August 13, 2015, CBRE Services issued $600.0 million in aggregate principal amount of 4.875% senior notes due March 1, 2026 (the 4.875% senior notes) at a price equal to 99.24% of their face value. The 4.875% senior notes are unsecured obligations of CBRE Services, senior to all of its current and future subordinated indebtedness, but effectively subordinated to all of its current and future secured indebtedness. The 4.875% senior notes are guaranteed on a senior basis by us. Interest accrues at a rate of 4.875% per year and is payable semi-annually in arrears on March 1 and September 1.

On September 26, 2014, CBRE Services issued $300.0 million in aggregate principal amount of 5.25% senior notes due March 15, 2025 (the 5.25% senior notes). On December 12, 2014, CBRE Services issued an additional $125.0 million in aggregate principal amount of 5.25% senior notes due March 15, 2025 at a price equal to 101.5% of their face value, plus interest deemed to have accrued from September 26, 2014. The 5.25% senior notes were unsecured obligations of CBRE Services, senior to all of its current and future subordinated indebtedness, but effectively subordinated to all of its current and future secured indebtedness. The 5.25% senior notes were jointly and severally guaranteed on a senior basis by us and certain of our subsidiaries. Interest accrued at a rate of 5.25% per year and was payable semi-annually in arrears on March 15 and September 15. We redeemed these notes in full on December 28, 2020 and incurred charges of $75.6 million, including a premium of $73.6 million and the write-off of $2.0 million of unamortized premium and debt issuance costs. We funded this redemption using cash on hand.

The indentures governing our 4.875% senior notes and 2.500% senior notes contain restrictive covenants that, among other things, limit our ability to create or permit liens on assets securing indebtedness, enter into sale/leaseback transactions and enter into consolidations or mergers.

On May 21, 2021, we released all existing subsidiary guarantors from their guarantees of our 2019 Credit Agreement, 4.875% senior notes and 2.500% senior notes. Our 2019 Credit Agreement, 4.875% senior notes and 2.500% senior notes remain fully and unconditionally guaranteed by CBRE Group, Inc. Combined summarized financial information for CBRE Group, Inc. (parent) and CBRE Services (subsidiary issuer) is as follows (dollars in thousands):

	June 30, 2021	December 31, 2020 (1)
Balance Sheet Data:		
Current assets	$ 4,851	$ 3,307,147
Noncurrent assets (2)	248,102	5,252,455
Total assets (2)	252,953	8,559,602
Current liabilities	$ 14,077	$ 3,241,264
Noncurrent liabilities	1,380,808	1,884,629
Total liabilities	1,394,885	5,125,893

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Statement of Operations Data:		
Revenue	$ —	$ 6,332,337
Operating (loss) income	(986)	138,122
Net income	15,847	118,459

(1) Amounts include activity related to our subsidiaries that were still listed as guarantors for the period presented.

(2) Includes $237.1 million and $360.0 million of intercompany loan receivables from non-guarantor subsidiaries as of June 30, 2021 and December 31, 2020, respectively. All intercompany balances and transactions between CBRE Group, Inc., CBRE Services and the guarantor subsidiaries have been eliminated.

For additional information on all of our long-term debt, see Note 11 of the Notes to Consolidated Financial Statements set forth in Item 8 included in our 2020 Annual Report and Note 8 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report.

Short-Term Borrowings

We maintain a $3.15 billion (inclusive of the $350.0 million increase executed on July 9, 2021) revolving credit facility under the 2019 Credit Agreement and warehouse lines of credit with certain third-party lenders. For additional information on all of our short-term borrowings, see Note 11 of the Notes to Consolidated Financial Statements set forth in Item 8 included in our 2020 Annual Report and Notes 3 and 8 of the Notes to Consolidated Financial Statements (Unaudited) set forth in Item 1 of this Quarterly Report.

Off –Balance Sheet Arrangements

Our off-balance sheet arrangements are described in Note 10 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 contains 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, political and regulatory conditions and significant public health events, particularly in geographies or industry sectors where our business may be concentrated;
- volatility or adverse developments in the securities, capital or credit markets, interest rate increases and conditions affecting the value of real estate assets, inside and outside the U.S.;
- poor performance of real estate investments or other conditions that negatively impact clients' willingness to make real estate or long-term contractual commitments and the cost and availability of capital for investment in real estate;
- foreign currency fluctuations and changes in currency restrictions, trade sanctions and import/export and transfer pricing rules;
- disruptions to business, market and operational conditions related to the Covid-19 pandemic and the impact of government rules and regulations intended to mitigate the effects of this pandemic, including, without limitation, rules and regulations that impact us as a loan originator and servicer for U.S. Government-Sponsored Enterprises (GSEs);
- 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 accretive businesses;
- costs and potential future capital requirements relating to businesses we may acquire;
- integration challenges arising out of companies we may acquire;
- increases in unemployment and general slowdowns in commercial activity;
- trends in pricing and risk assumption for commercial real estate services;
- the effect of significant changes in capitalization 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;
- our ability to further 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 continue investing in our platform and client service offerings;
- our ability to maintain expense discipline;
- the emergence of disruptive business models and technologies;
- negative publicity or harm to our brand and reputation;
- the failure by third parties to comply with service level agreements or regulatory or legal requirements;
- the ability of our investment management business to maintain and grow assets under management and achieve desired investment returns for our investors, and any potential related litigation, liabilities or reputational harm possible if we fail to do so;
- our ability to manage fluctuations in net earnings and cash flow, which could result from poor performance in our investment programs, including our participation as a principal in real estate investments;
- the ability of CBRE Capital Markets to periodically amend, or replace, on satisfactory terms, the agreements for its warehouse lines of credit;
- declines in lending activity of U.S. GSEs, regulatory oversight of such activity and our mortgage servicing revenue from the commercial real estate mortgage market;
- changes in U.S. and international law and regulatory environments (including relating to anti-corruption, anti-money laundering, trade sanctions, tariffs, currency controls and other trade control laws), particularly in Asia, Africa, Russia, Eastern Europe and the Middle East, due to the level of political instability in those regions;
- 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;
- our ability to retain and incentivize key personnel;
- our ability to manage organizational challenges associated with our size;
- liabilities under guarantees, or for construction defects, that we incur in our development services business;
- variations in historically customary seasonal patterns that cause our business not to perform as expected;
- 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;
- our and our employees' ability to execute on, and adapt to, information technology strategies and trends;
- cybersecurity threats or other threats to our information technology networks, including the potential misappropriation of assets or sensitive information, corruption of data or operational disruption;
- 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;
- changes in applicable tax or accounting requirements;
- any inability for us to implement and maintain effective internal controls over financial reporting;

- the effect of implementation of new accounting rules and standards or the impairment of our goodwill and intangible assets; and

- the other factors described elsewhere in this Quarterly Report on Form 10-Q, included under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies," "Quantitative and Qualitative Disclosures About Market Risk" and Part II, Item 1A, "Risk Factors" or as described in our 2020 Annual Report, in particular in Part II, Item 1A "Risk Factors", or as described in the other documents and reports we file with the Securities and Exchange Commission (SEC).

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

Investors and others should note that we routinely announce financial and other material information using our Investor Relations website (https://ir.cbre.com), SEC filings, press releases, public conference calls and webcasts. We use these channels of distribution to communicate with our investors and members of the public about our company, our services and other items of interest. Information contained on our website is not part of this Quarterly Report or our other filings with the SEC.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The information in this section should be read in connection with the information on market risk related to changes in interest rates and non-U.S. currency exchange rates in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020

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 the U.S. dollar. 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. Historically, we have entered into interest rate swap agreements to attempt to hedge the variability of future interest payments due to changes in interest rates. As of June 30, 2021, we did not have any outstanding interest rate swap agreements.

The estimated fair value of our senior term loans was approximately $770.4 million at June 30, 2021. Based on dealers' quotes, the estimated fair value of our 4.875% senior notes and 2.500% senior notes was $696.3 million and $507.2 million, respectively, at June 30, 2021.

We utilize sensitivity analyses to assess the potential effect on our variable rate debt. If interest rates were to increase 100 basis points on our outstanding variable rate debt at June 30, 2021, the net impact of the additional interest cost would be a decrease of $7.5 million on pre-tax income and a decrease of $7.5 million in cash provided by operating activities for the six months ended June 30, 2021.

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 members of our Disclosure Committee. Our Disclosure Committee consists of our General Counsel, our Deputy CFO and Chief Accounting Officer, our Chief Transformation Officer, our Chief Communication Officer, our Senior Vice President, Risk and Assurance, our Senior Officers of significant business lines and other select employees.

We conducted the required evaluation, and our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined by Securities Exchange Act Rule 13a-15(e)) were not effective as of June 30, 2021 due to the material weaknesses in internal control over financial reporting that were disclosed in our 2020 Annual Report.

Notwithstanding such material weaknesses in internal control over financial reporting, our management concluded that our consolidated financial statements in this Quarterly Report on Form 10-Q present fairly, in all material respects, the company's financial position, results of operations and cash flows as of the dates, and for the periods presented, in conformity with U.S. GAAP.

Remediation

As previously described in Part II, Item 9A of our 2020 Annual Report, we continue to implement our remediation plans that address the material weaknesses in our internal controls over financial reporting. During the three months ended June 30, 2021, we pursued several activities to further our remediation efforts:

- Implemented mechanisms to provide close to real-time visibility into the results of the ongoing monitoring program to ensure immediate action on items requiring attention;
- Inventoried, baselined and rationalized key reports in the primary accounting system so as to have standard reports supporting the efficient execution of controls;
- Enhanced the framework around proper design and implementation of key balance sheet account reconciliations; and
- Continued to train employees responsible for control execution and oversight and established a control owner "certification" to promote awareness and underscore ownership and accountability.

Though further remediation efforts were made this quarter, the material weakness will not be considered fully remediated until the applicable controls operate for a sufficient period of time and management has concluded, through formal testing, that these controls are operating effectively.

Changes in Internal Control Over Financial Reporting

Except for changes made in connection with our implementation of the remediation efforts mentioned above, there have been no changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2021 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 2020 Annual Report.

Item 1A. Risk Factors

There have been no material changes to our risk factors as previously disclosed in our 2020 Annual Report.

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

Open market share repurchase activity during the three months ended June 30, 2021 was as follows (dollars in thousands, except per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs [(1)]
April 1, 2021 - April 30, 2021	300,454	$ 80.31	300,454	
May 1, 2021 - May 31, 2021	—	—	—	
June 1, 2021 - June 30, 2021	—	—	—	
	300,454	$ 80.31	300,454	$ 261,737

(1) During 2019, our board of directors authorized a program for the company to repurchase up to $500.0 million of our Class A common stock over three years, and during the second quarter of 2021, we repurchased $24.1 million of our common stock under this program. The remaining $261.7 million in the table represents the amount available to repurchase shares under the authorized repurchase program as of June 30, 2021.

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

Item 5. Other Information

On July 28, 2021 (the "Transition Date"), the company's board of directors appointed (i) Emma E. Giamartino as the company's Global Group President, Chief Financial Officer and Chief Investment Officer and (ii) Madeleine Barber as the company's Deputy Chief Financial Officer and Chief Accounting Officer.

Ms. Giamartino, age 38, has served as the company's Global Chief Investment Officer since January 2021. Prior to that, Ms. Giamartino served as the company's Executive Vice President of Corporate Development and Global Head of Mergers & Acquisitions from June 2020 to January 2021 and as Head of Mergers & Acquisitions in the Americas from February 2018 to June 2020. Prior to joining the company, Ms. Giamartino served as Director of Corporate Development at Verizon Communications from March 2016 to February 2018. She also worked in Nomura's technology, media and telecommunication investment banking group from June 2010 to March 2016. She began her career at Assured Guaranty (formerly Financial Security Assurance), in the residential mortgage-backed securities group. Effective on the Transition Date, Ms. Giamartino will earn an annual base salary of $680,000 and will be eligible for an annual target bonus of $1,000,000 (prorated as of the Transition Date). Shortly after the Transition Date, Ms. Giamartino will also receive an additional equity award with a grant date value of $615,000. Beginning in 2022, she will be eligible to receive an annual equity award with a target grant date value of $1,820,000. Ms. Giamartino will also receive a one-time cash promotion award of $1,000,000. The cash promotion award will be subject to repayment under certain circumstances. As a condition of her appointment, Ms. Giamartino executed our standard Restrictive Covenants Agreements for senior executives.

Ms. Barber, age 57, has served as the company's Senior Vice President, Corporate Finance and Chief Accounting, Tax and Treasury Officer since June 2020. Prior to that, Ms. Barber served as Senior Vice President, Corporate Finance from January 2020 to June 2020 and as Senior Vice President and Chief Tax Officer from December 2016 to June 2020. Prior to joining the company, Ms. Barber served in senior finance roles, each with increasing responsibility at Tyco International Plc for 12 years, including as Senior Vice President and Chief Tax Officer from October 2011 to November 2016. Prior to that, she served as Tax Partner at KPMG LLP from May 2002 to December 2004 and Tax Partner at Arthur Anderson LLP from August

1988 to May 2002. Effective as of the Transition Date, Ms. Barber will earn an annual base salary of $550,000 and will be eligible for an annual target bonus of $550,000 (prorated as of the Transition Date). Beginning in 2022, she will be eligible for an annual equity award with a target grant date value of $600,000. Ms. Barber will also receive a one-time cash promotion award of $300,000. The cash promotion award will be subject to repayment under certain circumstances. As a condition of her appointment, Ms. Barber executed our standard Restrictive Covenants Agreements for senior executives.

There are no arrangements or understandings between Ms. Giamartino, Ms. Barber and any other persons pursuant to which they were selected for their respective positions with the company. There are no family relationships between Ms. Giamartino, Ms. Barber and any director or executive officer of the company. Ms. Giamartino and Ms. Barber do not have any direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended, nor are any such transactions currently proposed.

Leah C. Stearns, who served as the company's Chief Financial Officer until July 28, 2021, will remain at the company through December 31, 2021. Ms. Stearns will receive payments and benefits afforded to senior executives under the company's Change in Control and Severance Plan for Senior Management, and will remain eligible to receive a pro rata portion of the outstanding one-time Strategic Equity Awards that were granted to Ms. Stearns when she joined the company, described under the heading "Executive Compensation—Employment Agreements" in the company's Proxy Statement on Schedule 14A filed on April 5, 2021.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	SEC File No.	Exhibit	Filing Date	
2.1	Acquisition Agreement, dated as of July 26, 2021, among Turner & Townsend Partners LLP, CBRE Titan Acquisition Co. Limited, CBRE Group, Inc.	8-K	001-32205	2.1	07/29/2021	
3.1	Amended and Restated Certificate of Incorporation of CBRE Group, Inc.	8-K	001-32205	3.1	05/23/2018	
3.2	Amended and Restated By-Laws of CBRE Group, Inc.	8-K	001-32205	3.1	03/27/2020	
10.1	Incremental Assumption Agreement, dated as of July 9, 2021, among CBRE Group, Inc., CBRE Services, Inc. CBRE Limited, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent	8-K	001-32205	10.1	07/13/2021	
10.2	Employment and Transition Agreement, dated as of July 27, 2021, by and between CBRE, Inc. and Leah C. Stearns+					X
10.3	Letter agreement, dated as of July 28, 2021, by and between CBRE, Inc. and Emma Giamartino+					X
10.4	Form of Restrictive Covenants Agreement+					X
22.1	Subsidiary Issuers and Guarantors of CBRE Group, Inc.'s Registered Debt					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
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

+ Denotes a management contract or compensatory arrangement

SIGNATURES

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

	CBRE GROUP, INC.
Date: July 30, 2021	/s/ EMMA E. GIAMARTINO
	Emma E. Giamartino *Global Group President, Chief Financial Officer and Chief Investment Officer (Principal Financial Officer)*
Date: July 30, 2021	/s/ MADELEINE BARBER
	Madeleine Barber *Deputy Chief Financial Officer and Chief Accounting Officer (Principal Accounting Officer)*

Exhibit 10.2

Employment and Transition Agreement

Leah Stearns

EMPLOYMENT AND TRANSITION AGREEMENT (this "Agreement"), dated as of July 27, 2021, by and between CBRE, Inc., a Delaware corporation (the "Company") and Leah Stearns ("Executive" and, together with the Company, the "Parties").

WHEREAS, the Parties desire to enter into this Agreement to set forth certain terms (a) with respect to Executive's continued employment with the Company and mutually planned separation from the Company as a non-Retirement good leaver as of the Separation Date (defined below) and (b) provide for (i) certain payments, rights and benefits that Executive will receive, and (ii) certain restrictive covenants that will apply, both in accordance with the terms and conditions below.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the Parties hereby agree as follows:

1. Effective Date; Term. This Agreement shall become effective on the eighth (8^{th}) day following its execution by Executive (such date, the "Effective Date"); provided that Executive does not revoke this Agreement in accordance with Section 6(g) below. Subject to earlier termination in accordance with the provisions of Section 4 below, Executive shall be employed by the Company under the terms of this Agreement for the period commencing on the Effective Date and ending on December 31, 2021 (the "Term"). December 31, 2021, the date on which the Term expires, is hereafter referred to as the "Separation Date."

2. Compensation and Benefits. This Section 2 sets forth all of Executive's entitlements with respect to compensation and benefits during the Term.

a. Base Salary. During the Term, Executive will continue to be paid a base salary at the rate of $700,000 ("Base Salary"), which Base Salary shall be paid in periodic installments in accordance with the Company's payroll practices.

b. Employee Benefits. During the Term, Executive will remain eligible to participate in all employee benefit plans of the Company in accordance with the terms of such plans as in effect from time to time (the "Employee Benefits").

c. Expense Reimbursement. Executive will continue to be reimbursed for reasonable business expenses in accordance with Company policy as in effect from time to time; provided, that if Executive is placed on garden leave, then any travel, entertainment or other non-ordinary course expenses incurred by Executive after being placed on garden leave must be approved in advance by the Company's Chief Executive Officer (the "CEO").

3. Duties. As of the execution of this Agreement, Executive has ceased to hold the position of Chief Financial Officer of the Company. During the Term, Executive shall serve as an advisor to, and carry out such duties as reasonably determined by, the CEO and/or the successor Chief Financial Officer of the Company; provided, that the Company may, in its sole discretion and

subject to Section 4 below, at any time elect to place Executive on garden leave for the remainder of the Term. If Executive is placed on garden leave, the Company may suspend Executive from performing any further services for the Company, and/or following three (3) business days' prior written notice to Executive, exclude Executive from Company premises, electronic mail distribution lists, computer hardware or software, or similar information or resources, but, while placed on garden leave, Executive:

a. may not undertake any other paid or unpaid work for any other company, entity or person (other than serving on the board of directors or providing other advisory work to companies outside of the real estate industry, with the exception of Executive's ongoing service on the board of Edge Connex, which has previously been approved by Company),

b. may not contact any clients, customers or vendors (unless otherwise agreed by the CEO or any of the Segment CEOs in writing),

c. shall continue to owe all the duties of her employment (whether express or implied), and

d. shall continue to receive all compensation, benefits and vesting as if Executive continued as an active employee, including, but not limited to, payments of Base Salary; continued vesting in all of the Equity Awards (as defined in the Company's Amended and Restated Change in Control and Severance Plan for Senior Management (the "Severance Plan")) listed in Schedule 1 attached to this Agreement; continued accrual toward her bonus for 2021 payable under the Severance Plan; and continued participation in the Employee Benefits.

Subject to her compliance with this Section 3 if she is placed on garden leave, Executive shall continue to have the use of her Company voicemail and email accounts through the date on which her employment with the Company terminates in accordance with the terms of this Agreement.

4. Termination of Employment, Non-Retirement Good Leaver. Except as otherwise expressly required by law or as specifically provided in this Section 4, all of Executive's rights to salary, severance, equity awards, benefits, bonuses and other amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. If Executive's employment with the Company is terminated for any reason, Executive's sole and exclusive remedy with regard to the compensation for services shall be to receive the payments, rights, and benefits described in this Section 4, as applicable, and Executive's rights with respect to the restricted stock units previously granted to Executive shall be governed by the terms thereof. For the avoidance of doubt, Executive's separation pursuant to Section 4(c) below, shall be deemed to be a separation subject to the non-Retirement good leaver accelerated vesting provisions of any applicable agreements, including this Agreement, and shall not be deemed a Termination for Cause or a Resignation without Good Reason as defined in the Severance Plan or any other applicable agreement.

a. Death or Disability. Executive's employment hereunder shall terminate upon Executive's death or Executive's Disability (as defined in the Severance Plan). Upon the termination of Executive's employment as a result of this Section 4(a), Executive or Executive's estate, as applicable, shall receive:

(i) (x) in a lump sum cash payment within ten (10) days following such date of termination or on such earlier date as may be required by applicable law (A) any unpaid Base Salary and any unused vacation pay (if any) accrued through such date of termination, and (B) any unreimbursed expenses in accordance with Company policy, and (y) any vested or accrued benefits provided for under the applicable terms of applicable Company employee benefit plans or arrangements in accordance with such terms (clauses (x) and (y), and the applicable terms of payment, but with references to Executive's estate being replaced by references to Executive, if applicable, are hereafter referred to as the "Accrued Amounts"),

(ii) subject to Executive's or Executive's estate, as applicable, executing and not revoking the general release of claims set forth in Exhibit A hereto following the date on which Executive's employment terminates, which release shall be delivered to Executive or Executive's estate, as applicable, within five (5) days following the date of termination and which must be executed (and not revoked) by Executive or Executive's estate, as applicable, within sixty (60) days following the date of termination, the severance payments, rights, and benefits provided for in Section 5.1 of the Severance Plan (i.e., such termination shall be deemed to be a Qualifying Termination as defined in and under the Severance Plan, including but not limited to Section 2(z) and 5.1 of the Severance Plan), including:

a. the payments, benefits, Shares (as defined in the CBRE Group, Inc. 2017 Equity Incentive Plan and the CBRE Group, Inc. 2019 Equity Incentive Plan, as applicable), rights, and interests set forth on the attached Schedule 1 (collectively, the "Schedule 1 Interests"), including

(i) all cash payments, bonuses (and in the case of any bonus for the fiscal year in which the date of termination occurs (2021), the annual bonus Executive would have earned for such fiscal year with 100% of such annual bonus calculated solely based on the applicable Company performance metrics with respect to such fiscal year and without regard to any assessment of personal performance as provided in Section 5.1(d)(i) of the Severance Plan), benefits, and

(ii) accelerated vesting of Equity Awards, to be paid or delivered, as applicable, on the dates and in the amounts or number of Shares (but in the case of performance-vesting Equity Awards for which the performance period has not yet ended, subject to the level of performance actually achieved) set forth on that Schedule 1 (except that for purposes of this Section 4(a), the "Separation Date" shall be deemed to be the date of the termination of Executive's employment), and

b. COBRA continuation coverage under the Company's group health insurance plan for the 18-month period following the date of Executive's termination of employment, with Executive (or her estate, spouse or eligible dependents, as applicable) continuing to pay the same amount of monthly premium as in effect for an active employee with the same coverage, subject to the terms and conditions of Section 5.1(f) of the Severance Plan, or as otherwise provided in Section 5.1(f) of the Severance Plan (the "Continuation Coverage").

b. Termination by the Company for Cause. At any time during the Term, the Company may terminate Executive's employment hereunder for Cause (as defined and pursuant to the procedures set forth in the Severance Plan); provided, that if the Company has placed Executive on garden leave, then thereafter, "Cause" shall instead mean either a material breach of the Restrictive Covenants (as defined below) or Executive's conviction of (or plea of guilty or no contest to) a felony involving moral turpitude. Upon the termination of Executive's employment pursuant to this Section 4(b), Executive shall have no further rights to any compensation or any other benefits under this Agreement other than the Accrued Amounts. For avoidance of doubt, following the Effective Date, the Company will not terminate Executive unless such termination is for Cause (as defined pursuant to the procedures set forth in the Severance Plan) (other than a termination due to Disability pursuant to Section 4(a) above or the termination on Separation Date pursuant to Section 4(c) below).

c. Termination upon the Separation Date. Unless earlier terminated in accordance with this Section 4, Executive's employment hereunder shall automatically terminate on the Separation Date pursuant to the non-Retirement good leaver accelerated vesting provisions set forth in the applicable award agreements. Upon the Separation Date, Executive shall receive:

i. The Accrued Amounts,

ii. the Schedule 1 Interests, to be paid or delivered on the dates and in the amounts or number of Shares set forth in the attached Schedule 1,

iii. the Continuation Coverage, and

iv. reasonable outplacement services pursuant to Section 5.1(g) and subject to Section 14.2 of the Severance Plan, each of which is hereby incorporated into and made part of this Agreement; provided, that Executive will select a vendor reasonably acceptable to the Company to provide such services who is qualified and appropriate to serve the needs of a senior executive with similar background and experience as Executive.

d. Net Settlement. The Company hereby acknowledges and agrees that any and all applicable federal, state and local income, employment, payroll and other withholding and tax obligations related to the Equity Awards shall be satisfied by using a net settlement mechanism whereby the Company will withhold a number of Shares that would otherwise be issued to Executive as permitted under the terms of the applicable equity-based plans.

5. Restrictive Covenants.

a. On May 15, 2019, Executive entered into a Restrictive Covenants Agreement (as amended by this Agreement, the "Restrictive Covenants Agreement") which contains post-termination non-competition and non-solicitation of clients and employees covenants (such covenants, together with Section 6(h)(i) and Section 6(i) of this Agreement and the covenants set forth on Exhibit B of the Severance Plan, collectively, the "Restrictive Covenants").

b. Notwithstanding any provision of the Restrictive Covenants Agreement to the contrary, the Parties agree that the non-competition covenant set forth in Section 1.4 of the Restrictive Covenants Agreement shall apply to Executive at all times while she is employed by the Company and for a period commencing following the termination of Executive's employment with the Company for any reason other than due to death and ending on the first anniversary of the Effective Date (subject to the terms and conditions of Section 2.2 of the Restrictive Covenants Agreement) and that Executive remains subject to the Restrictive Covenants set forth in Exhibit B of the Severance Plan, with the "Restricted Period" for purposes of the non-solicitation covenants set forth on such Exhibit B to run until December 31, 2022; provided, that the December 31, 2022 date on which the non-solicitation covenants set forth in Exhibit B of the Severance Plan terminate shall be extended to June 30, 2023 solely if, at any time prior to December 31, 2022, Executive commences employment with (1) any entity set forth on the Amended Exhibit A to Restrictive Covenants Agreement attached hereto, (2) any real estate technology or real estate data company that offers products or service to its customers that are substantially similar to those services offered by the Company to Company's customers; or (3) any real estate investment trust or any other entity or person that provides products or services that are directly competitive with products or services provided by the Company Group (as that term is defined in the Restrictive Covenants Agreement).

c. The Parties hereby acknowledge and agree that the Restrictive Covenants Agreement is hereby amended by replacing Exhibit A thereof with the Amended Exhibit A to Restrictive Covenants Agreement attached hereto.

d. If Executive wishes to engage in any activity that Executive believes the Company could assert would violate the non-competition covenant in the Restrictive Covenants Agreement (as modified hereby), then Executive may contact the Company's General Counsel in writing regarding such activity and, after Executive has provided the Company's General Counsel with all material information the General Counsel believes to be reasonably necessary in order to enable the Company to make a determination as to whether the Company would assert that such activity would violate such non-competition covenant, if the Company responds in writing within ten (10) business days following the date that all such information necessary for the Company to make such determination has been provided by Executive that such activity would not violate such covenant or if the Company fails to respond in writing by the expiration of such 10-business day period, then Executive may engage in such activity and the Company will be estopped from asserting that such activity violates such non-competition covenant. In the event that Executive materially breaches any of the Restrictive Covenants and, if such breach is reasonably capable of being cured, does not promptly cure such breach, then, in addition to any other remedies available to the Company in law or in equity, the Company shall have no further obligation to make any additional payments or provide any further benefits hereunder or under the Severance Plan or the Equity Awards (other than the Accrued Amounts, to the extent then unpaid); provided, that, if it is determined by the arbitrator that Executive did not materially breach any of the Restrictive Covenants, the Company shall promptly pay or provide to Executive all amounts and benefits that Executive would have been entitled to receive under the terms of this Agreement, the Severance Plan and the Equity Awards but did not receive due to the application of this sentence, with interest thereon at the rate of six percent (6%) per annum.

6. Miscellaneous.

a. Amendments. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by Executive and either the CEO or the Company's General Counsel.

b. Successors and Assigns.

i. This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

ii. This Agreement shall inure to the benefit of and be binding upon the Company and its successors.

c. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, if delivered by overnight courier service, or if mailed by registered mail, or if sent by electronic mail.

If to Executive, to such address as shall most currently appear on the records of the Company.

With a copy to:

Joe Ahmad
Kyle Poelker
Ahmad, Zavitsanos, Anaipakos, Alavi & Mensing P.C.
1221 McKinney St, Suite 2500
Houston, Texas 77010
Email: joeahmad@azalaw.com
kpoelker@azalaw.com

If to the Company, to:
CBRE, Inc.
400 South Hope St., 25th Floor
Los Angeles, California 90071
Attention: General Counsel
Email: Larry.Midler@cbre.com

d. Arbitration. Section 13.2 of the Severance Plan is hereby incorporated into and made part of this Agreement.

e. GOVERNING LAW; JURY TRIAL WAIVER. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS TO BE APPLIED. EACH PARTY TO THIS AGREEMENT WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM.

f. Entire Agreement. This Agreement, together with the Restrictive Covenants Agreement; any pension or welfare plan covered by Section 6(g)(ii), below; any agreements, bylaws, policies, or other documents regarding any rights to indemnification Executive may have, as set forth in Section 6(g)(iii), below; the award agreements related to the Equity Awards; and the specific terms of the Severance Plan cross-referenced herein including Section 8 thereof, constitute the entire agreement between the parties as of the Effective Date and supersede all previous agreements and understandings between the Parties with respect to the subject matter hereof, including specifically the employment offer letter dated April 4, 2019 in connection with Executive joining the Company.

g. Release. For and in consideration of the continued employment described in Section 1 and the payments and benefits described in Section 2 and Section 4, Executive hereby agrees on behalf of herself, her agents, assignees, attorneys, successors, assigns, heirs and executors, to, and Executive does hereby, fully and completely forever release the Company and its past, current and future affiliates, predecessors and successors and all of their respective past and/or present officers, directors, partners, members, managing members, managers, employees, agents, representatives, administrators, attorneys, insurers and fiduciaries, in their individual and/or representative capacities (hereinafter collectively referred to as the "Company Releasees"), from any and all causes of action, suits, agreements, promises, damages, disputes, controversies, contentions, differences, judgments, claims, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, variances, trespasses, extents, executions and demands of any kind whatsoever, which Executive or her agents, assignees, attorneys, successors, assigns, heirs and executors ever had, now have or may have against the Company Releasees or any of them, in law or equity, whether known or unknown to Executive, for, upon, or by reason of, any matter, action, omission, course or thing whatsoever occurring up to the date this Agreement is signed by Executive, arising out of or in connection with or in relationship to Executive's employment or other service relationship with the Company or the termination thereof, and any applicable employment, compensatory or equity arrangement with the Company, any claims of breach of contract, wrongful termination, retaliation, fraud, defamation, infliction of emotional distress or national origin, race, age, sex, sexual orientation, disability, medical condition or other discrimination or harassment, (such released claims are collectively referred to herein as the "Released Claims"); provided, that, Executive does not waive or release (i) any claims with respect to the right to enforce this Agreement (or the agreements or provisions set forth in Section 6(f) of this Agreement), (ii) claims with respect to any vested right Executive may have under any employee pension or welfare benefit plan of the Company, (iii) any rights Executive may have for indemnification from the Company or any of its affiliates or under any insurance policy, and (iv) any claims that may not be waived by law.

Notwithstanding the generality of the immediately preceding paragraph, the Released Claims include, without limitation, all of the following claims occurring up to the date this Agreement is signed by Executive: (A) any and all claims under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the Civil Rights Act of 1971, the Civil Rights Act of 1991, the Fair Labor Standards Act, Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, the National Labor Relations Act, the Equal Pay Act, the Securities Act of 1933, the Securities Exchange Act of 1934, the Rehabilitation Act of 1973, and the Worker Adjustment and Retraining Notification Act, all as amended, and any and all other federal, state or local laws, statutes, rules and regulations pertaining to employment or otherwise, and (B) any claims for wrongful discharge, breach of contract, fraud, misrepresentation or any compensation claims, or any other claims under any statute, rule or regulation or under the common law, including compensatory damages, punitive damages, attorney's fees, costs, expenses and all claims for any other type of damage or relief.

THIS MEANS THAT, BY SIGNING THIS AGREEMENT, EXECUTIVE WILL HAVE WAIVED ANY RIGHT EXECUTIVE MAY HAVE HAD TO BRING A LAWSUIT OR MAKE ANY CLAIM AGAINST THE COMPANY RELEASEES BASED ON ANY ACTS OR OMISSIONS OF THE COMPANY RELEASEES UP TO THE DATE OF THE SIGNING OF THIS AGREEMENT. NOTWITHSTANDING THE ABOVE, NOTHING IN THIS SECTION 6(G) SHALL PREVENT EXECUTIVE FROM (X) INITIATING OR CAUSING TO BE INITIATED ON HER BEHALF ANY COMPLAINT, CHARGE, CLAIM OR PROCEEDING AGAINST THE COMPANY BEFORE ANY LOCAL, STATE OR FEDERAL AGENCY, COURT OR OTHER BODY CHALLENGING THE VALIDITY OF THE WAIVER OF HER CLAIMS UNDER ADEA CONTAINED IN THIS SECTION 6(G) (BUT NO OTHER PORTION OF SUCH WAIVER); OR (Y) INITIATING OR PARTICIPATING IN (BUT NOT BENEFITING FROM) AN INVESTIGATION OR PROCEEDING CONDUCTED BY THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION WITH RESPECT TO ADEA.

Executive represents that she has read carefully and fully understands the terms of this Agreement, and that Executive has been advised to consult with an attorney and has availed herself of the opportunity to consult with an attorney prior to signing this Agreement. Executive acknowledges and agrees that she is executing this Agreement willingly, voluntarily and knowingly, of her own free will, in exchange for the continued employment described in Section 1 and the payments and benefits described in Section 2 and Section 4, and that she has not relied on any representations, promises or agreements of any kind made to her in connection with her decision to accept the terms of this Agreement, other than those set forth in this Agreement. **Executive acknowledges that she could take up to twenty-one (21) days to consider whether she wants to sign this Agreement and that the ADEA gives her the right to revoke the Agreement within seven (7) days after it is signed, and Executive understands that she will not receive any payments or benefits under Section 2 or Section 4 of this Agreement (other than payment of Accrued Amounts), subject to the terms and conditions hereof, until such seven (7) day revocation period has passed and then, only if she has not revoked the Agreement. To the extent Executive has executed the Agreement within less than twenty-one (21) days after its delivery to her, Executive hereby waives the twenty-one (21) day period and acknowledges that her decision to execute the Agreement prior to the expiration of such twenty-one (21) day period was entirely voluntary. If Executive revokes this Agreement, it shall be null and void**.

h. Mutual Non-Disparagement; Communications. Following the date of this Agreement (and continuing following the termination of Executive's employment hereunder):

(i) Executive hereby agrees not to defame or disparage any member of the Company Group or any executive, manager, director, or officer of any member of the Company Group in any medium to any person.

(ii) The Company hereby agrees that neither the Company nor the executive officers of the Company Group shall defame or disparage Executive in any medium to any person.

Notwithstanding the preceding, Executive, the Company and the executive officers of the Company Group may confer in confidence with their respective legal representatives and make truthful statements as required by law or legal process.

Prior to execution of this Agreement, Executive and the CEO conferred regarding the timing and content of the contemplated corporate communication regarding Executive's departure from the Company. Executive has been provided with a reasonable opportunity to comment on any such communication before it is released, and the Company has taken into consideration in good faith any such comments Executive provided.

From the Separation Date through December 31, 2022 or such earlier date as Executive selects, the Company shall maintain an automatic reply on Executive's Company email account stating that as of December 31, 2021, Executive is no longer employed by the Company, and that for personal matters, she can be contacted at Executive's personal email address (to be provided to the Company by Executive).

i. Continuing Obligation Not to Use Any Confidential Information; and Return of All Confidential Information and Other Company Property.

(i) Executive acknowledges and agrees that all confidential, proprietary, trade secret and other business information belonging to the Company Group, whether in tangible form or otherwise, including all documents and records, whether printed, typed, handwritten, videotaped, transmitted or transcribed on data files or on any other type of media, and whether or not labeled or identified as confidential and/or proprietary, made or compiled by Executive or made available to Executive during her employment with the Company, is and remains the sole property of the Company Group which Executive shall not knowingly at any time use or disclose to any third party.

(ii) Executive agrees that Executive has an obligation to make a reasonable search for, and return, all originals and all copies of all documents and records made or compiled by, provided to or made available to Executive that contain confidential, proprietary, trade secret or other business information belonging to the Company Group, whether printed, typed, handwritten, videotaped, transmitted or transcribed on data files or on any other type of media and whether or not labeled or identified as confidential, proprietary or trade secret.

(iii) Executive agrees that Executive has an obligation to, no later than ten (10) business days following the earlier of the date on which her employment terminates or the date on which she is placed on garden leave, return all other Company-owned property and materials that she is aware of, including, but not limited to, credit cards, calling cards, keys, key fobs, identification badges, files, records, product samples, marketing materials, computer disks, tablets, printers, personal digital assistants, pagers, cellular telephones and all associated accessories for technology (e.g. power cords, mouse, etc.).

(iv) To the extent that after signing this Agreement, Executive becomes aware that she has access to any confidential, proprietary, trade secret or other business information belonging to the Company Group, including on any personal computer equipment or other personal electronic storage devices, or is aware or becomes aware that she has uploaded or downloaded such information to any cloud or other file sharing service to which Executive has access, Executive shall (A) make prompt reasonable steps to delete such information, and (B) not review or use such information for any purpose.

(v) Nothing in this Agreement shall prohibit or impede Executive from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a "Governmental Entity") with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation; provided, that in each case such communications and disclosures are consistent with applicable law. Executive does not need the prior authorization of (or to give notice to) the Company regarding any such communication or disclosure. Executive understands and acknowledges that an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (A) in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of the law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive understands and acknowledges further that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance is Executive authorized to disclose any information covered by the Company's attorney-client privilege or attorney work product without the prior written consent of the Company's General Counsel.

j. Withholding Taxes. The Company shall be entitled to withhold from any payment due to Executive hereunder any amounts required to be withheld by applicable tax laws or regulations.

k. Legal Fees. Upon proper substantiation by providing the invoices thereof, the Company shall reimburse Executive for reasonable legal fees and expenses incurred by Executive in connection with her negotiations concerning the termination of her employment with the Company, including the negotiation and preparation of this Agreement; provided, that, the maximum amount of fees and expenses to be reimbursed to Executive shall be limited to $30,000.

l. Survival. Sections 4, 5 and 6 shall survive and continue in full force in accordance with their terms notwithstanding any termination of Executive's employment with the Company.

m. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CBRE, Inc.

By: /s/ Laurence Midler
Name: Laurence H. Midler
Title: Executive Vice President and General Counsel

Executive

/s/ Leah Stearns
Leah Stearns

[Signature page to Employment and Transition Agreement]

Exhibit A

General Release

For and in consideration of the payments and benefits described in Section 4 of the Employment and Transition Agreement (the "Agreement") dated as of July 27, 2021, by and between CBRE, Inc., a Delaware corporation (the "Company") and Leah Stearns ("Executive"), Executive hereby agrees on behalf of herself, her agents, assignees, attorneys, successors, assigns, heirs and executors, to, and Executive does hereby, fully and completely forever release the Company Releasees, from any and all causes of action, suits, agreements, promises, damages, disputes, controversies, contentions, differences, judgments, claims, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, variances, trespasses, extents, executions and demands of any kind whatsoever, which Executive or her agents, assignees, attorneys, successors, assigns, heirs and executors ever had, now have or may have against the Company Releasees or any of them, in law or equity, whether known or unknown to Executive, for, upon, or by reason of, any matter, action, omission, course or thing whatsoever occurring up to the date this release is signed by Executive, arising out of or in connection with or in relationship to Executive's employment or other service relationship with the Company or the termination thereof, and any applicable employment, compensatory or equity arrangement with the Company, any claims of breach of contract, wrongful termination, retaliation, fraud, defamation, infliction of emotional distress or national origin, race, age, sex, sexual orientation, disability, medical condition or other discrimination or harassment, (such released claims are collectively referred to herein as the "Released Claims"); provided, that, Executive does not waive or release (i) any claims with respect to the right to enforce the Agreement (or the agreements or provisions set forth in Section 6(f) of the Agreement), (ii) claims with respect to any vested right Executive may have under any employee pension or welfare benefit plan of the Company, (iii) any rights Executive may have for indemnification from the Company or any of its affiliates or under any insurance policy, and (iv) any claims that may not be waived by law.

Notwithstanding the generality of the immediately preceding paragraph, the Released Claims include, without limitation, all of the following claims occurring up to the date this release is signed by Executive: (A) any and all claims under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (the "ADEA," a law which prohibits discrimination on the basis of age), the Civil Rights Act of 1971, the Civil Rights Act of 1991, the Fair Labor Standards Act, Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, the National Labor Relations Act, the Equal Pay Act, the Securities Act of 1933, the Securities Exchange Act of 1934, the Rehabilitation Act of 1973, and the Worker Adjustment and Retraining Notification Act, all as amended, and any and all other federal, state or local laws, statutes, rules and regulations pertaining to employment or otherwise, and (B) any claims for wrongful discharge, breach of contract, fraud, misrepresentation or any compensation claims, or any other claims under any statute, rule or regulation or under the common law, including compensatory damages, punitive damages, attorney's fees, costs, expenses and all claims for any other type of damage or relief.

THIS MEANS THAT, BY SIGNING THIS RELEASE, EXECUTIVE WILL HAVE WAIVED ANY RIGHT EXECUTIVE MAY HAVE HAD TO BRING A LAWSUIT OR MAKE ANY CLAIM AGAINST THE COMPANY RELEASEES BASED ON ANY ACTS OR OMISSIONS OF THE COMPANY RELEASEES UP TO THE DATE OF THE SIGNING OF THIS RELEASE. NOTWITHSTANDING THE ABOVE, NOTHING IN THIS RELEASE SHALL PREVENT EXECUTIVE FROM (X) INITIATING OR CAUSING TO BE INITIATED ON HER BEHALF ANY COMPLAINT, CHARGE, CLAIM OR PROCEEDING AGAINST THE COMPANY BEFORE ANY LOCAL, STATE OR FEDERAL AGENCY, COURT OR OTHER BODY CHALLENGING THE VALIDITY OF THE WAIVER OF HER CLAIMS UNDER ADEA CONTAINED IN THIS RELEASE (BUT NO OTHER PORTION OF SUCH WAIVER); OR (Y) INITIATING OR PARTICIPATING IN (BUT NOT BENEFITING FROM) AN INVESTIGATION OR PROCEEDING CONDUCTED BY THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION WITH RESPECT TO ADEA.

Executive represents that she has read carefully and fully understands the terms of this release, and that Executive has been advised to consult with an attorney and has availed herself of the opportunity to consult with an attorney prior to signing this release. Executive acknowledges and agrees that she is executing this release willingly, voluntarily and knowingly, of her own free will, in exchange for the payments and benefits described in Section 4 of the Agreement, and that she has not relied on any representations, promises or agreements of any kind made to her in connection with her decision to accept the terms of the Agreement and this release, other than those set forth in the Agreement and this release. **Executive acknowledges that she could take up to twenty-one (21) days to consider whether she wants to sign this release and that the ADEA gives her the right to revoke this release within seven (7) days after it is signed, and Executive understands that she will not receive any payments or benefits under Section 4 of the Agreement (other than payment of Accrued Amounts), subject to the terms and conditions thereof, until such seven (7) day revocation period has passed and then, only if she has not revoked this release. To the extent Executive has executed this release within less than twenty-one (21) days after its delivery to her, Executive hereby waives the twenty-one (21) day period and acknowledges that her decision to execute this release prior to the expiration of such twenty-one (21) day period was entirely voluntary. If Executive revokes this release, it and the Agreement shall be null and void as of the date of such revocation**.

Capitalized terms used in this release but not defined herein shall have the meanings ascribed to such terms in the Agreement.

Executive

____
Leah Stearns

Amended Exhibit A to Restrictive Covenants Agreement

[Omitted]

Schedule 1

Separation Package

Assumptions:

Termination Date:	Separation Date
Base Salary:	$700,000
Target Bonus:	$1,075,000

Schedule 1 Interests

Summary Upon Termination Date (paid in 2021 unless otherwise noted)			
	Category		**Payout**
Cash payment	Target cash compensation (base + target bonus) x 1.5		$2,662,500
Bonus	2021 Full-Year Bonus (Paid March 2022) shown at target. Actual amount will be calculated pursuant to the Severance Plan methodology contained in Section 5.1(d)(i), based solely on the applicable Company performance metrics with respect to fiscal year 2021 and without regard to any assessment of personal performance by Executive.		$1,075,000
	Total Payout in Cash delivered at Termination Date		**$3,737,500**
Delivery Date *	**Equity Grants**	**Shares**	**Payout ***
12/31/2021	Special Time	12,122	N/A
12/31/2021	2019 Performance (50%)	2,551	N/A
12/31/2021	Transition Time Award (50%)	10,471	N/A
12/31/2021	2019 Time (50%)	4,860	N/A
12/31/2021	2020 Time (50%)	5,801	N/A
12/31/2021	2021 Time (50%)	4,815	N/A
	Total Equity delivered at Termination Date *	**40,620**	N/A
Summary of Equity Delivered After Separation Date			
Delivery Date *	**Equity Grants**	**Shares**	**Payout ***
2/17/2022	2020 Performance (50%)*	9,960	N/A

3/3/2023	2021 Performance (50%)*	6,417	N/A
6/30/2023	2019 Performance (50%)	2,551	N/A
6/30/2023	Transition Time Award (50%)	10,471	N/A
6/30/2023	2019 Time (50%)	4,860	N/A
6/30/2023	2020 Time (50%)	5,801	N/A
6/30/2023	2021 Time (50%)	4,815	N/A
6/30/2023	2020 Performance (50%)*	9,960	N/A
6/30/2023	2021 Performance (50%)*	6,417	N/A
12/1/2023	Special TSR*	12,122	N/A
12/31/2023	Special EPS*	11,907	N/A
	Total Equity delivered after Termination Date *	**85,281**	N/A
	Total Equity Delivered *	**125,901**	N/A

*For awards where the performance period has not yet ended, the number of shares noted reflects the number subject to continued vesting, assuming target performance; however, Executive will remain eligible to receive the maximum number of shares that are subject to the award. Once certified, the performance achievement factor contained in each award will be applied to calculate the number of shares due Executive pursuant to each award. Delivery date shown is the approximate delivery date. Shares subject to performance will be delivered as soon as practicable after the compensation committee of the board certifies the performance (but in no event later than 30 days thereafter).

COMMERCIAL REAL ESTATE SERVICES

People Team
2100 Ross Ave
Suite 1600
Dallas, TX 75201

www.cbre.com

VIA EMAIL

Date: July 28, 2021

To: Emma Giamartino

From: Bob Sulentic

Subject: Internal Offer: Global Group President—Chief Financial Officer and Chief Investment Officer

Congratulations on your new position! This offer letter and the Restrictive Covenants Agreement serve to confirm the new terms of employment with CBRE (the "Company") and supersede any prior discussions regarding your new position. All sections of your prior offer letter(s) and any written agreements that are not expressly amended herein shall remain in full force and effect.

Position:
Global Group President—Chief Financial Officer and Chief Investment Officer

Effective Date:
July 28, 2021

Reports To:
President and CEO of CBRE Group, Inc.

Location:
Your primary office will be in Dallas, Texas. You may maintain your primary residence in the Philadelphia area, but you have agreed to acquire a home in Dallas and commute regularly to Dallas at the Company's expense in accordance with CBRE's expense policies (estimated to be a minimum of 2-3 times a month).

Base Salary:
$680,000 annually as of the Effective Date; paid bi-weekly

Annual Bonus Eligibility:
As of the Effective Date, you will be eligible for a discretionary annual bonus award under the terms of the Company's Executive Bonus Plan ("EBP"), a copy of which will be provided to you upon request. As of the Effective Date of your new role, you will have a target bonus of **$1,000,000**. Actual awards under the EBP may range from 0% to 200% of target, depending on Company and individual performance, and in all cases are paid at the sole discretion of the Company. For calendar year 2021, your EBP bonus amount will be pro-rated against the Effective Date of your new role. As stated in the EBP, an express condition of earning or vesting in this bonus is your continued employment through the date bonuses are paid. Should your employment terminate prior to the date on which bonuses are paid, no bonus will have been earned or vested and none will be payable, except as may be provided in the EBP. The bonus payment date is normally on or before March 15 of the succeeding year, but CBRE reserves the right to change this date as it deems appropriate.

Equity:

You will continue to be eligible to be considered for the Company's broad-based equity incentive program in the same manner and under the same conditions set by CBRE for other similarly situated executives. All grants are subject to the approval of the Compensation Committee of CBRE's Board of Directors each year prior to making the grant. The specific form of the grant (restricted stock units, etc.), the number of units and vesting period/conditions are determined at the sole discretion of CBRE at the time of the grant and are subject to the terms of the Company's Equity Incentive Plan. Beginning with calendar year 2022, you will be recommended to the Compensation Committee for an equity award with an approximate grant date value of **$1,820,000**, of which it is expected that approximately one-half of the award will be granted in time-based restricted stock units and approximately one half of the award will be granted in performance-based restricted stock units.

As soon as practical following the Effective Date you will receive an equity award with a grant date value of **$615,000,** with the same performance and vesting provisions as the grant you received in March 2021.

Promotional Cash Award:

You will be paid a one-time only "Promotional Cash Award" of **$1,000,000**, subject to applicable payroll tax withholdings. The Promotional Cash Award will be paid within 30 days of the Effective Date.

Should you resign from CBRE without good reason (as defined in the Company's severance plan for similarly situated executives) or you are terminated for cause (as defined in the Company's severance plan for similarly situated executives) within three years of the Effective Date, you will be required to repay all or a portion of the Promotional Cash Award as follows: (a) resignation without good reason or termination for cause prior to one year from the Effective Date, you will repay CBRE $1,000,000; (b) resignation without good reason or termination for cause after one year from the Effective Date but prior to two years from the Effective Date, you will repay CBRE $666,666; (c) resignation without good resaon or termination for cause after two years from the Effective Date but prior to three years from the Effective Date, you will repay CBRE $333,333.

Subject to legal considerations, your acceptance of this offer also authorizes CBRE to deduct any outstanding re-payment balances from your last and final paycheck.

Benefits for Full-Time Employees:

Your participation in the corporate fringe benefits package will continue uninterrupted, in accordance with Company policy. As outlined by Company policy, salaried exempt employees earning a base salary of $100,000 or more are considered to be participants of our "Highly Compensated Employee" (HCE) program.

Severance:

You will remain a Participant in the CBRE Group, Inc., Change-in-Control and Severance Plan for Senior Management and eligible for the severance benefits as described thereunder, and accordingly, you will not be eligible for severance under CBRE's Severance Policy for HCEs.

Restrictive Covenants and Confidentiality:

As a condition of your acceptance of this offer letter, you agree to execute and abide by all the terms of the Restrictive Covenants Agreement attached hereto as Exhibit "1".

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

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

Mutual Arbitration:
In the event of any dispute, claim, or controversy that could otherwise be raised in court ("Claims") between you and the Company (including all of its current or former officers; directors; members; employees; vendors; clients; agents; parent, subsidiary, and affiliated entities; benefit plans; benefit plans' sponsors; fiduciaries; administrators; and all successors and assigns of any of them), we jointly agree to submit all such Claims to binding arbitration and waive any right to a jury trial in court.

The Claims subject to arbitration include all claims arising from or related to your employment or the termination of your employment including, but not limited to, claims for wages or other compensation due; claims for breach of any contract or covenant (express or implied); tort claims; claims for misappropriation of trade secrets or unfair competition; claims for wrongful termination or unjustified dismissal; claims for discrimination, harassment or retaliation (including, but not limited to, race, sex, religion, national origin, age, marital status, or medical condition or disability, such as for example, under the Massachusetts Fair Employment Practices Act and similar state and federal anti-discrimination statutes); claims for benefits (except where an employee benefit or pension plan specifies that its claims procedure shall culminate in an arbitration procedure different from this one); and claims for violation of any federal, state, or governmental law, statute, regulation, or ordinance. Claims not covered by this arbitration provision are: claims for workers' compensation or unemployment benefits (except in Puerto Rico, this exclusion does not include claims for violation of employment reserve or claims for non-reinstatement, which are covered by this Agreement); petitions or charges filed with the National Labor Relations Board, Equal Employment Opportunity Commission, or a similar government agency; and claims which are not subject to arbitration or pre-dispute arbitration agreements pursuant to federal law. Moreover, any party may seek provisional relief from a court upon the ground that the award to which the party may be entitled may be rendered ineffectual without provisional relief.

All Claims subject to arbitration must be brought in the party's individual capacity, and not as a plaintiff or class member in any class, collective, or representative action. Any disputes concerning the validity of this multi-plaintiff, class, collective and representative action waiver will be decided by a court of competent jurisdiction, not by the arbitrator. In the event a court determines this waiver is unenforceable with respect to any Claim, then this waiver shall not apply to that Claim, and that Claim may only proceed in court.

The arbitration (i) shall be conducted pursuant to the JAMS Employment Arbitration Rules & Procedures to the extent they do not conflict with this provision, which are incorporated by reference and may be accessed at https://www.jamsadr.com or by calling JAMS at (800) 352-5267; (ii) shall be heard before a retired State or Federal judge in the county containing the CBRE office in which you were last employed, unless the parties agree otherwise; and (iii) must be initiated within the time period required under the applicable statute of limitations. Each party shall have the right to conduct discovery adequate to fully and fairly present the claims and defenses consistent with the streamlined nature of arbitration.

The arbitrator shall apply the substantive law relating to all claims and defenses to be arbitrated the same as if the matter had been heard in court, including the award of any remedy or relief on an individual basis. The arbitrator's award shall be in writing, with factual findings, reasons given, and evidence cited to support the award. The arbitrator's decision or award shall be final and binding and may be filed in any court of competent jurisdiction so that judgment may be entered upon it or it may be corrected, modified, or vacated on any ground permitted by applicable law.

The Company shall pay for all fees and costs of the Arbitrator, including any fees and costs that would not be incurred in a court proceeding. Each party shall pay for its own costs and attorneys' fees, if any, except as otherwise required by law.

The Federal Arbitration Act (9 U.S.C. Sections 1, et seq.) shall govern this arbitration provision and State arbitration statutes (such as, for example, N.H. Rev. Stat. Ann. § 542, et seq.) shall apply only to the extent they are not preempted. If any part of this arbitration provision is held to be invalid, void, or unenforceable, it shall be interpreted in a manner or modified to make it enforceable. If that is not possible, it shall be severed and the remaining terms shall remain in full force and effect.

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

I hope you find this new opportunity a challenging and rewarding experience. If you have any questions, please feel free to contact me.

Thank you for your continued contribution to our success and I look forward to another great year ahead.

Sincerely,

/s/ Robert E. Sulentic

Robert E. Sulentic
Chief Executive Officer

AGREED AND ACCEPTED:

By signing this agreement, I hereby accept each and all of its terms. I certify that I have read and considered this entire agreement and have asked questions about anything herein that I do not understand.

Signature: __/s/ Emma Giamartino______________________ **Date:** __July 28, 2021__________
Emma Giamartino

EXHIBIT 10.4

RESTRICTIVE COVENANTS AGREEMENT

This Restrictive Covenants Agreement (the "**Agreement**"), between **[NAME]** ("**you**" or "**your**") and CBRE, Inc., a Delaware corporation ("**CBRE**" "**we**" "**us**" or "**our**"), is entered into as of __________________ (the "**Effective Date**") and supplements the internal offer letter you executed concurrently with this Agreement.

WHEREAS, (i) the Company Group (as defined herein) has expended, and is expected to continue expending, large amounts of time, money and effort developing our client relationships and confidential and proprietary information; (ii) playing a significant role in our business, you have and/or will continue to have access to or learn of our confidential or proprietary information; and (iii) you have and/or will work directly with our clients and key personnel; and

WHEREAS, this Agreement is designed to protect our interests without unreasonably restricting your ability to work elsewhere if your employment relationship or association with us ends; and

WHEREAS, as consideration for your entering into this Agreement, while you are employed by us we promise to provide you with (i) access to new and additional training, (ii) access to new and additional clients and client information, (iii) access to new and additional confidential and proprietary market knowledge, pricing information, technology tools and solutions, and other Confidential Information (as defined herein) belonging to us, and/or (iv) other consideration; and

NOW, THEREFORE, you agree to protect, safeguard and maintain the integrity and confidentiality of our valuable information, client relationships, and legitimate business interests in accordance with the terms and conditions set forth below, and you acknowledge and agree with CBRE as follows:

1. Restrictive Covenants

1.1 Definitions

(a) "**Base Salary**" means the amount you are entitled to receive as annual base salary, in each case without reduction for any pre-tax contributions to benefit plans. Base Salary does not include bonuses, incentives, commissions, overtime pay, shift pay, premium pay, cost of living allowances or income from stock options, stock grants or other incentives awarded under the CBRE Group, Inc. 2019 Equity Incentive Plan, as may be amended or restated from time to time or any successor to such plan.

(b) "**Cause**" means the occurrence of any one or more of the following events:

a. your conviction of (or plea of guilty or no contest to) a felony involving moral turpitude;

b. your willful and continued failure to substantially perform your designated duties or to follow lawful and authorized directions of the Company Group after written notice from or on behalf of the Company Group;
c. your willful misconduct (including willful violation of the Company Group's policies that are applicable to you) or gross negligence that results in material reputational or financial harm to the Company Group;
d. any act of fraud, theft, or any material act of dishonesty by you regarding the Company Group's business;
e. your material breach of fiduciary duty to the Company Group (including without limitation, acting in competition with, or taking other adverse action against, the Company Group during the period of your employment with the Company Group, including soliciting employees of the Company Group for alternative employment);
f. any illegal or unethical act (inside or outside of your scope of employment) by you that results in material reputational or financial harm to the Company Group;
g. your material misrepresentation regarding personal and/or Company Group performance and/or the Company Group's records for personal or family financial benefit;
h. your material or systematic unauthorized use or abuse of corporate resources of the Company Group for personal or family financial benefit; or
i. your refusal to testify or cooperate in legal proceedings or investigations involving the Company Group.

(c) "**CBRE Employee**" means any individual consultant or employee of any member of the Company Group, or anyone who was an individual consultant or employee of any member of the Company Group at any time within the 12-month period immediately preceding your Termination Date.

(d) "**CBRE Client**" means any of the Company Group's clients or prospective clients whom you solicited, with whom you substantially and directly dealt or became acquainted, or from whom or with respect to whom you obtained confidential information, at any time within the 24-month period immediately preceding your Termination Date.

(e) "**Company Group**" means Group and each of its subsidiaries and affiliates.

(f) "**Good Reason**" means the occurrence of any one or more of the following events without your prior written consent:
a. a material adverse change in your duties or responsibilities (such that the compensation paid to you would not continue to be deemed rational based on your revised duties or responsibilities);
b. a reduction of more than 10% in your Base Salary as in effect for the 12-month period immediately prior to such reduction, other than in

connection with an across-the-board reduction of the Base Salaries of similarly situated employees or due to changes in your duties and responsibilities with your prior written consent;

c. a reduction of more than 10% in your annual target bonus as in effect immediately prior to such reduction or your becoming ineligible to participate in bonus plans applicable to similarly situated employees, other than in connection with an across-the-board reduction of the annual target bonuses of similarly situated employees or due to changes in your duties and responsibilities with your prior written consent;
d. the failure by Group to make any annual equity grant to you or a reduction of more than 10% of your annual equity grant as compared to the annual equity grant made to you in the preceding fiscal year of Group, unless (A) a reduction of annual equity grants or a change in equity philosophy or practice occurs that does not disproportionately affect you relative to other similarly situated employees who receive equity grants, or (B) such failure to grant or reduction of such grants occurs due to changes in your duties and responsibilities with your prior written consent;
e. if you are a participant in the Severance Plan, the failure of any successor to Group to assume the Severance Plan upon a Change in Control (as defined in the Severance Plan); or
f. a change in your principal place of work to a location of more than 50 miles in each direction from your principal place of work immediately prior to such change in location; provided, that such change increases your commute from your principal residence by more than 50 miles in each direction and more than 3 times per week on average;

provided, that (x) you provide a Notice of Termination to Group within 90 days of the initial existence of the facts or circumstances constituting such event, (y) Group fails to cure such facts or circumstances within 30 days after receipt of such Notice of Termination and (z) the date on which your employment terminates occurs no later than 30 days after the expiration of the such cure period.

(g) "**Group**" means CBRE Group, Inc.

(h) "**Notice of Termination**" means a written notice which shall (i) indicate the specific termination provision in the definition of "Good Reason" relied upon, (ii) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated, and (iii) if the date of such termination is other than the date of receipt of such notice, specify the date of such termination (which date shall be not more than 30 days after the giving of such notice).

(i) "**Restricted Business**" means the collective reference to (1) the entities listed on **Exhibit A** and each of their respective subsidiaries and affiliates (except any non-controlled affiliate that is not a Restricted Business) or successors in interest and (2) any other entity or person that provides products or services that are competitive with products or services provided by the Company Group within 24 months prior to your Termination Date (or which you have knowledge, at the time in question, that the Company Group has plans to provide or offer within twelve months of your Termination Date).

(j) "**Restricted Period**" means from your Termination Date until 12 months thereafter. However, the Restricted Period shall be reduced for any period of "garden leave" to which you are subject with the Company Group.

(k) "**Severance Plan**" means the CBRE Group, Inc. Amended and Restated Change in Control and Severance Plan for Senior Management, effective August 12, 2020, as amended from time to time.

(l) "**Termination Date**" means the date on which your employment with the relevant Company Group member is terminated.

(m)"**Territory**" means any national, state, territorial or other jurisdiction globally in which the Company Group provided or offered products or services at any time during the 12 months prior to the Termination Date (or in which you have knowledge, at the time in question, that the Company Group has plans to commence providing or offering products or services within 12 months).

1.2 Non-Solicitation of CBRE Clients. During your employment by any member of the Company Group and, solely if you are terminated by the relevant Company Group member with Cause or you resign without Good Reason, during the Restricted Period, you will not, in any capacity, directly or indirectly, (a) solicit, contact, call upon or communicate with any CBRE Client in order to further a business relationship with such CBRE Client for or on behalf of a Restricted Business in the Territory, or (b) solicit or induce any CBRE Client to terminate or reduce its relationship with the Company Group for any reason.

1.3 Non-Solicitation of CBRE Employees. During your employment by any member of the Company Group and, solely if you are terminated by the relevant Company Group member with Cause or you resign without Good Reason, during the Restricted Period, you will not, in any capacity, directly or indirectly, recruit, solicit or induce any CBRE Employee to terminate or alter his or her status as a CBRE Employee, which shall include, without limitation, providing a Restricted Business in the Territory information about such CBRE Employee's job satisfaction, performance, nature and level of production, compensation or other status while at the Company Group. However, it shall not be a violation of this non-solicitation covenant if you generally advertise a position in any medium or on the internet, as long as such advertisement is not targeted at any CBRE Employee.

1.4 Non-Competition. During your employment by any member of the Company Group and, solely if you are terminated by the relevant Company Group member with Cause or you resign without Good Reason, during the Restricted Period, you will not directly or indirectly, (a) become a principal, partner, member, investor, joint venturer, officer, director, or shareholder of any

Restricted Business, or (b) manage, control, or operate any Restricted Business, or (c) serve as an employee, consultant, contractor, advisor, representative (or any other capacity) of, to or for a Restricted Business (except to the extent you serve in any such capacity that is unrelated to the products or services that are competitive with products or services provided by the Company Group). The restriction contained in this Section 1.4 shall not apply to (i) passive investments in less than 1% of a broadly held public or private company or (ii) personal investments in real estate assets (including through passive partnership interests) not aimed at operating, managing or sponsoring a Restricted Business.

2. Other Terms

2.1 Future Employment. In the event you seek or obtain employment or some other business affiliation with any person or entity other than the Company Group, you agree to provide that person or entity with a copy of this Agreement. You also agree that we may provide a copy of this Agreement to any such person or entity.

2.2 Tolling Period. In the event you violate any provision of this Agreement, then such violation will toll the Restricted Period from the date of such violation until such violation ceases and will extend the Restricted Period so long as you remain in violation.

2.3 Reasonableness and Relief. You acknowledge that the restrictions contained in this Agreement are fair, reasonable and necessary for the protection of the Company Group's legitimate business interests, including to preserve and protect the Company Group's interests in its confidential and proprietary information and trade secrets, and to protect the goodwill of the Company Group, and that the Company Group will suffer irreparable harm in the event of any actual or threatened breach by you. Therefore, you consent to the entry of a restraining order, preliminary injunction or other preliminary, provisional or permanent court order to enforce this Agreement without the need for CBRE to post a bond or other security that might be required in connection with such relief. You also agree that any request for such relief by us will be in addition and without prejudice to any claim for monetary damages that we might elect to assert.

2.4 Binding Effect. This Agreement will be binding upon your heirs and personal and legal representatives, and the successors and assigns of the Company Group. This Agreement and the rights and obligations hereunder may not be assigned by you, but are assignable by us.

2.5 Severability. If any provision of this Agreement is determined to be unenforceable, the remaining provisions will be enforced to the maximum extent possible. If any provision of this Agreement is determined to be overbroad or unreasonable, such provision will be given effect to the maximum extent possible by enforcing to such an extent as would not be overbroad or unreasonable.

2.6 Non-Waiver. The waiver by any party to this Agreement of a breach of any of its provisions will not operate or be construed as a waiver of any subsequent or simultaneous breach. Further, no party will be deemed to have waived any provision of or right under this Agreement unless such waiver is set forth in writing signed by the party against whom waiver is asserted.

2.7 Drafting. This Agreement will not be construed more strictly against any party hereto merely by the virtue of the fact that this Agreement may have been drafted or prepared by such party or its counsel.

2.8 Governing Law. This Agreement and its enforcement, and any controversy arising out of or relating to the making or performance of this Agreement, will be adjudicated by a court of competent jurisdiction and shall be governed by and construed in accordance with the law of the State of Texas, without regard to principles of conflict of law.

2.9 Acknowledgment. You acknowledge that you understand the terms and conditions set forth in this Agreement and have had adequate time to consider whether to agree to them and to consult a lawyer or other advisor of your choice if you wish to do so.

2.10 Additional Agreements. The restrictive covenants set forth in Section 1 of this Agreement shall apply in addition to (and shall not be limited by the provisions of) any other non-competition, non-pooling, non-solicitation, confidentiality, non-disparagement or similar covenants or conditions to which you are (or may become) subject to pursuant to any other plan or agreement containing restrictive covenants or conditions to which you are a party with any member of the Company Group (or, in the case of any plan, as a recipient of any award or benefits thereunder), such that the longest and broadest of such restrictions shall apply (without duplication).

(Signature Page Follows.)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth on the first page of this Agreement.

CBRE, Inc.

By: __ __
Name: Name:
Title:
Dated: Dated:

EXHIBIT 22.1

SUBSIDIARY ISSUERS AND GUARANTORS OF CBRE GROUP, INC.'S REGISTERED DEBT

AT JUNE 30, 2021

CBRE Services, Inc., a subsidiary of CBRE Group, Inc., is the issuer of the 4.875% and 2.500% senior notes (as defined in CBRE Group, Inc.'s Quarterly Report on Form 10-Q for the six months ended June 30, 2021), which are guaranteed by CBRE Group, Inc.

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: July 30, 2021

/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, Emma E. Giamartino, 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: July 30, 2021

/s/ EMMA E. GIAMARTINO

Emma E. Giamartino

Global Group President, Chief Financial Officer and Chief Investment 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 Emma E. Giamartino, 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 June 30, 2021, 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: July 30, 2021	/s/ ROBERT E. SULENTIC
	Robert E. Sulentic
	President and Chief Executive Officer
Date: July 30, 2021	/s/ EMMA E. GIAMARTINO
	Emma E. Giamartino
	Global Group President, Chief Financial Officer and Chief Investment 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.