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CBRE Group, Inc. (CBRE)

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CORPORATE PARTICIPANTS

Brad Burke

Senior Vice President, Investor Relations and Strategic Finance, CBRE Group, Inc.

Emma Giamartino

Global Group President, Chief Financial Officer & Chief Investment Officer, CBRE Group, Inc.

Robert E. Sulentic

President, Chief Executive Officer & Director, CBRE Group, Inc.

OTHER PARTICIPANTS

Anthony Paolone

Analyst, JPMorgan Securities LLC

Steve Sakwa

Analyst, Evercore ISI

Chandni Luthra

Analyst, Goldman Sachs & Co. LLC

Jade Rahmani

Analyst, Keefe, Bruyette & Woods, Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Greetings. Welcome to CBRE's Second Quarter 2022 Earnings Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. [Operator Instructions] Please note this conference is being recorded.

I will now turn the conference over to your host, Brad Burke. You may begin.

Brad Burke

Senior Vice President, Investor Relations and Strategic Finance, CBRE Group, Inc.

Good morning everyone and welcome to CBRE's second quarter 2022 Earnings Conference Call. Earlier today, we issued a press release announcing our financial results, which is posted on the Investor Relations page of our website, cbre.com, along with a presentation slide deck that you can use to follow along with our prepared remarks, as well as an Excel file that contains additional supplemental materials.

Before we kick off today's call, I'll remind you that our presentation contains forward-looking statements that involve a number of risks and uncertainties. Examples of these statements include our expectations regarding CBRE's future growth prospects, including our 2022 outlook, core EPS growth and long-term positioning, operations, market share, capital deployment strategy and share repurchases, financial performance including leverage, profitability and cost management, the business environment, the performance of acquisitions and other transactions, and any other statements regarding matters that are not historical fact.

We urge you to consider these factors and remind you that we undertake no obligation to update the information contained on this call to reflect subsequent events or circumstances. For a full discussion of the risks and other factors that may impact these forward-looking statements, please refer to this morning's earnings release and our most recent annual and quarterly reports filed on Form 10-K and Form 10-Q, respectively. We have provided

reconciliations of the non-GAAP financial measures included in our remarks to the most directly comparable GAAP measures, together with explanations of these measures in the appendix of the presentation slide deck.

I'm joined on today's call by Bob Sulentic, our President and CEO; and Emma Giamartino, our Chief Financial and Investment Officer.

Now, please turn to slide 5 as I turn the call over to Bob.

Robert E. Sulentic

President, Chief Executive Officer & Director, CBRE Group, Inc.

Thank you, Brad, and good morning, everyone. CBRE had an outstanding second quarter with strength across our global businesses. All three business segments posted double-digit revenue and segment operating profit growth despite the significant currency headwinds that affected all US-based global companies.

Core EPS was the highest for any quarter in CBRE's history, up 37% from last year's second quarter and even slightly higher than last year's record fourth quarter. These results reflect the benefits of the diversification strategy we've described in detail on previous calls and an economic backdrop that was still generally supportive despite heightened macro concerns.

Highlights for the quarter include a record level of new occupier outsourcing contracts, strong growth in project management, aided by Turner & Townsend, strong growth in leasing, and record real estate development profits. We ended the quarter with excellent new business pipelines across numerous lines of business which Emma will review. We also repurchased more than \$600 million worth of our own shares, the most ever in any quarter, bringing year-to-date share repurchases through July to nearly \$1.1 billion.

Given the uncertain macroeconomic environment, Emma's remarks will take a different approach this quarter. She will first discuss the long-term positioning of our business before she covers the quarter's results and our outlook for the second half. As we look ahead to full year performance, we are increasing our expectation of core EPS growth to the high teens from our earlier expectation of mid to high teens. This reflects both our robust first half and several other compelling factors.

First, a larger portion of our revenue and profits is generated from businesses that have performed particularly well through downturns. Second, our cost structure is inherently variable. And as we demonstrated during COVID, we've become increasingly adept at proactively cutting discretionary costs, while continuing to thoughtfully invest in growth. Third, our balance sheet lets us aggressively deploy capital during down cycles through M&A, opportunistic investments in our REI businesses and continued share repurchases. Finally, macro uncertainty creates ripe conditions for market share gains. Occupiers and investors rely even more heavily on the insight advice and global execution that CBRE is best positioned to deliver.

Emma will now discuss all of this in greater detail. Emma?

Emma Giamartino

Global Group President, Chief Financial Officer & Chief Investment Officer, CBRE Group, Inc.

Thank you, Bob. Before I go through this quarter's results, I want to touch on what we've seen in the market since we last spoke in May, what it means for our business, and why we remain confident in our outlook. Over the past three months, and as I'm sure you're all following closely, rates on the 10-year treasury rose as high as 3.5%

before settling down to 2.8%. The uncertainty over how central banks might respond to inflation creates uneasiness in the market. More so on the public market, but also in the private commercial real estate market.

Against that backdrop and what it means for CBRE, it's best to think about our business in two parts. The first part includes business lines that grow consistently throughout an economic cycle and have low sensitivity to market uncertainty. This includes our outsourcing business, GWS as well as valuations, property management, loan servicing and significant components of our investment management and development businesses. Our GWS business can directly benefit from economic uncertainty as occupiers outsource their real estate management to CBRE to reduce their costs. These businesses have become significantly more important to CBRE's overall financial performance.

The second part of CBRE's business is more transactional in nature, capital markets, leasing and parts of our development and investment management businesses. These are sensitive to market uncertainty in the short term, but short term is not the right timeframe to measure the resiliency of this part of our business. Slide 6 illustrates my point.

COVID-19 created enormous market uncertainty during 2020, much more so than we're seeing today. And as a result, the transactional parts of our business saw total net revenue decline by 26% for the 12 months to the first quarter of 2021 versus the prior 12-month period. What's important and what I think is underappreciated is that these transactions didn't disappear, they paused. When market uncertainty lifted, these transactions came back, resulting in a powerful recovery. The net revenue growth of these businesses outpaced the S&P 500 over the period starting pre-COVID through the recovery of the following year.

When our management team thinks about market uneasiness and what it means for CBRE, we focus on things we can control. First, cost and; and second, capital deployment. One of the biggest drivers of CBRE's financial resiliency that we believe is underappreciated is the overall flexibility of our cost structure, which slide 7 summarizes. Just over 40% of our cost structure is passed through to clients. These costs are tied 1-to-1 with revenue, which is why we exclude them when discussing net revenue.

Another 44% is attributable to cost of revenue. These costs are variable. For example, during COVID in 2020, we saw net revenue in our Advisory segment decline by 16.5%, while our cost of revenue decreased 16.7%. The remaining cost is OpEx. Of this, about one-third can be reduced at a rate faster than revenue declines. These costs include travel, business promotion, and compensation tied to financial performance. The remaining two-thirds of OpEx is more difficult to move in the very short term, but reductions are certainly possible over a one- to two-year timeframe.

In summary, nearly 90% of CBRE's total costs are either directly tied to revenue or are highly flexible in nature. CBRE has had a track record of moving aggressively with targeted cost reductions when market conditions soften. We have invested in leadership, processes and systems to enable these reductions, and we now consider it a core competency. Today, we are already taking steps to limit new hires, eliminate non-client related travel and entertainment, and reduce other discretionary expenditures. And we are prepared to go further if we decide more reductions are needed. While achieving these cost efficiencies, we will continue to make very targeted organic investments into areas where we expect a high return.

We will also be investing our balance sheet. On slide 8, you'll see that CBRE repurchased \$1 billion of shares through the second quarter. Since the end of the second quarter, we have purchase another \$77 million. We believe this represents the highest and best use of capital for our shareholders in the current environment. We

would not be able to purchase a company near the quality of CBRE at the valuation we currently see for our shares.

As a result, while we continue to build an M&A pipeline, share repurchases are likely to represent the most significant use of our capital for the balance of the year. We'll be able to make these investments while maintaining CBRE's strong balance sheet, which ended Q2 with 0.2 times net leverage and \$4.2 billion of liquidity.

Before tying all of this together with our qualitative outlook for the full year, let's first discuss second quarter performance for our three business segments and what we're seeing in each segment's business pipelines.

Slide 10 summarizes results in our Advisory segment which were driven by a 17% increase in property sales revenue and a 40% increase in leasing revenue. Performance is strongest in the Americas due to improved market fundamentals, with sales and leasing increasing 26% and 56%, respectively. Outside of the Americas, sales revenue was flat and leasing rose by 5%, as FX reduced growth by 10 percentage points for each. Both US leasing and sales grew in every month of the second quarter, though we did see some deceleration in June. Preliminary results for July showed US leasing and sales revenue together essentially flat with a strong level of activity seen in July 2021.

Our commercial mortgage origination revenue slipped 1% during the quarter. The government sponsored enterprises, which are an important part of this business, continue to lose market share in the second quarter against strong competition from private lenders. The GSEs act as a moderating force in the multifamily lending market, and it's reasonable to expect our debt business to underperform property sales when the market is strong. The flipside is that our debt business should outperform property sales if the market is soft for the balance of the year. This is similar to the dynamic we saw in 2020.

Our Advisory SOP margin and net revenue declined by 1.5 percentage points versus the record second quarter margin of last year. Approximately one-third of this decline can be attributed to lower OMSRs, \$35 million this quarter versus \$42 million in Q2 last year. The remainder of the margin decline is mostly attributable to more brokers hitting higher commission payout thresholds, driven by the strong revenue growth.

Our pipelines give us visibility into our transactional businesses over the next few months. The sales pipeline is up slightly versus last year's record Q3, though transactions are taking longer to close and debt markets have become less accommodating due to market uncertainty. Our updated guidance anticipates a lower level of sales activity in the back half of the year compared against second half 2021 record levels.

Our leasing pipeline is essentially flat with the very strong pipeline we had at this time last year. We continue to see healthy activity across property types, with office being an outperformer. Office is growing from pent-up demand against a relatively low base of activity and higher than normal lease expirations. And we're expecting more leases to expire over the next 18 months than in any 18-month period over the last five years.

Turning to slide 11 within our GWS business. Total net revenue growth of 27% and SOP growth of 28% was aided by continued strong performance from Turner & Townsend. Excluding the contribution from Turner & Townsend, GWS net revenue increased by 8% or 12% in local currency, and SOP rose by 5% or 10% in local currency. Turner & Townsend performance reflects continued growth from their prior-year results, in line with our expectations.

Both facilities management and project management net revenue grew by double digits in local currency during the quarter. Growth was broad-based by client type and supported by a mix of new wins and expansion. GWS

achieved a record high \$1 billion of deal closing in the quarter. As a result of these wins, the pipeline fell sequentially, but is expected to end 2022 with a meaningfully larger pipeline than year-end 2021. CBRE's competitive differentiation with the occupier outsourcing market has never been stronger.

Slide 12 summarizes results in our REI segment, which performed very well in Q2. Development was a big catalyst with SOP growth of \$96 million versus last year's Q2, as we monetized several large assets and land parcels. We've benefited from investor preference for the types of properties we build, high-quality, [ph] built-to-core (00:15:10), typically well-leased assets in markets with good supply-demand fundamentals.

Investment management contributed \$58 million of SOP, up \$30 million over last year's Q2. AUM hit another record, up slightly versus Q1 despite over \$4 billion of FX headwinds. Looking forward for investment management, with more than 90% of our AUM in core or core-plus strategies, we expect healthy performance to continue despite market uncertainty.

Looking forward for our development business, over three quarters of our in-process activity is industrial, multifamily or life sciences product, and we expect continued outperformance over time amid a flight-to-quality front.

Cap rate expansion is a headwind. Market-wide cap rates have moved out by about 50 basis points to 75 basis points on average. Against this backdrop, development activity may be delayed during periods of uncertainty, but we will monetize our developments, which are highly sought after in their respective markets and are favorably financed, giving CBRE and our capital partners the flexibility to time the market for sales.

Our in-process portfolio totaling \$19.3 billion provides visibility into future development profits. As we've noted before, we expect 1% to 2% of our in-process portfolio to convert to SOP over a 12-month period. A modest recession could cause SOP to fall to low end of that range and a softer market creates opportunities to secure land sites that drive future profits.

Slide 13 summarizes our outlook. Within Advisory, we expect investment sales and to a lesser degree leasing to decline in the back half of the year against a very strong 2021. We continue to expect leasing and property sales growth for full-year 2022, supported by the strong first half. In GWS, our record wins in Q2 should help to drive over 20% SOP growth for the back half of the year, supported by 10% organic growth in local currency and Turner & Townsend's continued strong contribution.

In REI, we've already realized around three quarters of the SOP we expect for the full year, including over 80% of our expected development SOP. So, even in a more challenging macro environment, the full year development profit will well exceed our initial expectations.

In summary, and as Bob noted earlier, we now expect CBRE to achieve total core EPS growth in the high teens for the full year. Our core EPS guidance takes into account both the impact of FX and a lower share count. Absent the impact of FX, both realized year-to-date and expected, our core EPS growth expectations would be 4% to 5% higher.

With that, operator, we'll open the line for questions.

QUESTION AND ANSWER SECTION

Operator: At this time, we will be conducting a question-and-answer session. [Operator Instructions] Our first question is from Anthony Paolone with JPMorgan. Please proceed with your question.

Anthony Paolone

Analyst, JPMorgan Securities LLC

Q

Thank you and good morning. My first question relates to how you're thinking about the second half of the year and you discussed sales and what you're seeing being down, but just wondering if you can give us some sense as to how you think about the effect of a potential recession on those revenues and what you think of as kind of base cases in your mind as to what drawdowns could look like?

Emma Giamartino

Global Group President, Chief Financial Officer & Chief Investment Officer, CBRE Group, Inc.

A

Absolutely. So, I think what's important to note is when we're looking at the second half of the year, our baseline does assume that we enter into a recession in Q4 and we have somewhat of a slowdown in Q3. So, our baseline for the next year is that we'll be in a mild recession. Inflation will start to moderate towards the second half of the year and interest rates will peak early next year and will rebound in the second half of 2023. So, that's our baseline. Of course, there's upside from there if we're wrong about what's going to play out in – with the mild recession and the recession is not as significant as we're expecting. And then, there's downside if the recession is more severe. But our guidance, as Bob and I both mentioned, is to high-teens core EPS growth for the full year. Without the impact of FX, that's in the low-20% EPS growth for the full year, which I think is a really positive outcome for our business.

Across the three segments, what we're expecting is within Advisory, with the impact of sales and leasing, SOPs should be down on a local currency basis in the mid-single digits. GWS in a local currency basis for the second half of the year will grow 25% and have a really strong second half. And then, as we talked about with REI, we've monetized over 75% of our profits in the first half of the year. So, we feel very confidently about what's going to happen in the second half.

Anthony Paolone

Analyst, JPMorgan Securities LLC

Q

Got it. Thanks for that. And then, on the buyback, you have free cash flow, but you're also below target leverage that you laid out. So, I mean, when you think about continuing to do the buyback, is it about utilizing free cash flow or would you also be willing to move up closer to your target leverage?

Emma Giamartino

Global Group President, Chief Financial Officer & Chief Investment Officer, CBRE Group, Inc.

A

So, our capital deployment strategy is unchanged. We continue to seek to reach our target of return of leverage and we'll go up to [ph] a turn (00:21:24) of leverage when we see an opportunity to continue with our buybacks at an attractive price. We are always prioritizing M&A. But right now, what we're seeing is that there's still a large bid-offer spread in terms of valuations. So, we're building our M&A pipeline, as I mentioned in my remarks. And over the next year, especially if a recession continues, we expect to see opportunities in M&A arise. And so, we're balancing what we see in M&A with buybacks and what you can expect for the balance of this year is that we'll continue to aggressively deploy our capital towards buybacks as long as our price remains attractive. And in a

base case, I think a safe assumption is that we will do another \$ 0.5 billion of buybacks in the second half of the year, but it could easily exceed that.

Anthony Paolone

Analyst, JPMorgan Securities LLC

Q

Okay. And then, just if I can sneak one last one in here. On GWS, when you noted the \$1 billion of contracts that you signed up in the quarter, should we think about that as just take a 10-percent-ish margin, and this basically adds \$100 million of SOP to GWS, or is that how we should think about it?

Emma Giamartino

Global Group President, Chief Financial Officer & Chief Investment Officer, CBRE Group, Inc.

A

So, those contracts are primarily in our enterprise FM business. We don't disclose what the margin is on those contracts just for competitive reasons. But I think it's safe to assume that those will come in in the latter half of the year. Those – a lot of those contracts have not yet been on-boarded since they just closed in this quarter. So, there'll be a positive impact in the back half of the year. But I think you can use our guidance around SOP growth to help you with what the margins on that business will be.

Anthony Paolone

Analyst, JPMorgan Securities LLC

Q

Okay. Thank you.

Operator: Our next question is from Chandni Luthra with Goldman Sachs. Please proceed with your question.

Chandni Luthra

Analyst, Goldman Sachs & Co. LLC

Q

Hi. Good morning, and thank you for taking my question. So, I'd like to talk about Advisory sales. We heard from public REITs across asset classes last week that asset values have come in anywhere from 5% to 15%, 20%. And yet, we've seen investors basically just undertake more price discovery and continue to sit on the sidelines. So, how much more do prices need to come down for transactions to pick pace again, and what else is needed to get that clarity around transactions?

Robert E. Sulentic

President, Chief Executive Officer & Director, CBRE Group, Inc.

A

Yeah. Chandni, it's not so much pricing as it is more certainty around where the economy is going to head and also debt rates, what's going on with inflation and debt rates sorting out. I don't think most of the people going to the sidelines is being driven by the fact that they think asset prices are too expensive. The bottom line is in the two asset classes that are most attractive and most – being most actively traded, industrial and multifamily, fundamentals are very strong, rental rates are going up, and the values are there as long as there's some clarity around where the economy is headed and where interest rates are headed.

Chandni Luthra

Analyst, Goldman Sachs & Co. LLC

Q

Got it. And switching gears to office lease – office leasing for a second. So, you talked about basically a record number of leases coming due in the next 12 to 18 months. But then, how do we juxtapose that with the reality of a tougher economic outlook ahead in which corporates might think about downsizing their office requirements? And

how do you think about that balance and what sort of – what gives you confidence around office leasing as we move forward from here?

Robert E. Sulentic

President, Chief Executive Officer & Director, CBRE Group, Inc.

A

Yeah. Well, we baked into our thinking, for the balance of this year and for next year and beyond, the notion that corporates are in general going to consolidate to a degree their use of office space. There's some good news and bad news for us in that. If there's less office space lease, we'll lease less office space ourselves on behalf of our clients. But we'll also do more project management work.

The fact of the matter is though, almost all corporates are going to take a significant amount of space and there is a large backlog of renewals that need to be dealt with. And they are going – those renewals are going to get executed or they're going to move into new buildings. And so, it's a factor of that huge volume of renewals coming even if the space they take is somewhat smaller than it was before. That gives us confidence to talk about the numbers the way we did.

Chandni Luthra

Analyst, Goldman Sachs & Co. LLC

Q

Thank you for that. I appreciate it.

Operator: Our next question is from Steve Sakwa with Evercore ISI. Please proceed with your question.

Steve Sakwa

Analyst, Evercore ISI

Q

Yeah. Thanks. Good morning. I just wanted to be very clear, Emma, in – I guess, on leasing and sales. It's pretty clear that I think sales activity is going to be negative on a year-over-year basis in the second half. I'm just trying to figure out, are you saying that you think leasing will also be negative, or I'm just trying to read the wording where you're saying combined, those two are negative and leasing might be slightly positive, but sales is definitely negative.

Emma Giamartino

Global Group President, Chief Financial Officer & Chief Investment Officer, CBRE Group, Inc.

A

Yeah. I can give you more color on that. So, on the sales front, we're expecting and this is all in local currency that we expect that in the second half to be down around 10%. And most of that decline, based on what we're seeing in our pipelines, we're expecting that to weigh – the declines to weigh heavily in Q4. We have decent visibility into Q3. And so, that should be flat to up.

And then, on the leasing side, we expect a decline, but to a much lesser extent. So, that should be in the low-single digit decline range in the second half of the year on a local currency basis, which I think is a big deal and very positive. And again, with leasing, the same cadence we're expecting in Q3 and Q4. Based on our pipeline, Q3 should be flattish and Q4 is where you'll see the bulk of those declines.

Steve Sakwa

Analyst, Evercore ISI

Q

Great. That's helpful. And then, I just want to circle back maybe on the development profits. It obviously sounds like you've got a lot of the full year in the bag, so to speak, given what you've done first six months. But maybe

just talk about kind of the movement in cap rates and kind of the spread from where you were building to kind of where you're selling and just sort of the risks around that maybe into the back half of the year and maybe as you think into next year?

Robert E. Sulentic

President, Chief Executive Officer & Director, CBRE Group, Inc.

A

Yeah. Steve, the cap rates have moved, as we noted, 50 basis points to 100 basis points, but they haven't moved any more rapidly than rents have moved. Rents have moved up significantly for both. Again, I'm going to tilt my comments toward industrial and multifamily. Rents have moved up mid-teens in multifamily and mid to upper-single digits in industrial, and that's allowed us to deal with the movement in cap rates and allowed us to deal with the movement in costs and protect our profitability.

As things go forward, one of the very, very positive circumstances about our development business is that it's very high quality, very well located, build-to-core product that's financed patiently with great external capital partners. And we can decide when to harvest those projects within any rational timeframe, such that we can optimize across the – where rents are, where cap rates are, et cetera. So, as Emma said in her prepared remarks, those assets that we have, that \$19 billion of in-process development will harvest and it will harvest at a time that's relatively opportune because of the flexibility we have and the way we've capitalized those assets.

Steve Sakwa

Analyst, Evercore ISI

Q

Yeah. I guess just to follow up, I guess, given the commentary around the uncertainty, right, people [ph] don't (00:29:56) like those asset classes, but the debt markets have been probably more challenging and that's probably the bigger issue. So, do we need to see, like, an improvement in the CMBS market or bank lending? I think people have confidence in industrial and apartments, but the financing markets are more gummed up today. So, I guess...

Robert E. Sulentic

President, Chief Executive Officer & Director, CBRE Group, Inc.

A

I think people need to see stability and they need to have some clarity about where things are headed in the future. There is a lot of capital queued up out there to buy those asset classes and there are a lot of well-leased, well-located assets that can be sold. So, by the way, we're not the only one on the development side that has the model that I just described that builds very good core – build-to-core assets that are well capitalized in terms of being patient, much different than in prior cycles. The industry has moved forward. The industry has matured, become more enlightened about how to capitalize its development.

And so, I think I think people are looking for certainty in where cap rates are going to be, where inflation is going to be that drives interest rates, et cetera, and that's when you will see some of the slowdown in sales that we've described turn the other direction.

Steve Sakwa

Analyst, Evercore ISI

Q

Great. Thanks. That's it for me.

Operator: [Operator Instructions] Our next question is from Jade Rahmani with KBW. Please proceed with your question.

Jade Rahmani

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Thank you very much. On the M&A side, how would you prioritize areas of business that you're looking to expand in? Is it spread evenly across the board or do you see an outsized area to grow in? Last quarter, I think I asked about infrastructure and curious if that is a priority. I know you have some existing footprint there, but how big a priority is expanding infrastructure?

Robert E. Sulentic

President, Chief Executive Officer & Director, CBRE Group, Inc.

A

Jade, we look across our entire business, all three segments of our business and we look across lines of business and the geographies within the segments. I will say that we tilt toward a few things. We definitely are looking for businesses that enhance our capability to serve our clients. We have increasingly large amounts of business with clients that ask us to do things around the world, across lines of business, et cetera. And wherever we can fill in a capability that we don't have or that we think could be better, we target that area for M&A, because we know we have the clients there to do the work for.

Secondly, we really are focused on this notion of driving our capital and our resources into areas of secular benefit, into areas that are resilient. And so, we are looking for M&A opportunities that match up with that. We have a very definite plan in the various parts of our business. We have areas we prioritize. And if you looked at our M&A pipeline, it would be very evident. We also have this notion of certain aspects of what we're doing in that regard understandably are confidential and we wouldn't want to talk about what we're targeting specifically, but that's broadly how we think about it.

Jade Rahmani

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Thank you very much. Second question is on the debt finance side. I know you mentioned that in a declining property sales environment, the debt business would perform better. But overall, is that an area of growth? I believe you recently bolstered the management team in commercial and multifamily finance. Curious how big a priority growing the debt placement business is?

Emma Giamartino

Global Group President, Chief Financial Officer & Chief Investment Officer, CBRE Group, Inc.

A

Jade, that's a very big priority for us and it's a business that has performed incredibly well for us. This year, we're expecting our overall debt origination business to grow. And like you said, a large part of that is because of – and grow in the back half of the year. And a large part of that is because of our exposure to the GSEs.

So, in the back half of the year, we're expecting a recession. And as property sales starts to come down and private lending starts to pull back, we expect the GSEs will come back and accelerate and we'll benefit significantly from that. And so, we are – and as a part of this – it's not only our debt origination business, but also our loan servicing business. So, we're building out that team and we are very focused on continuing to grow that business, because if you think about the parts of our business that we've talked about as resilient, that's one of our businesses that can help drive growth and provide resiliency through cycle.

Jade Rahmani

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Thank you very much.

Operator: We have reached the end of the question-and-answer session. And I will now turn the call over to Bob Sulentic for closing remarks.

Robert E. Sulentic

President, Chief Executive Officer & Director, CBRE Group, Inc.

Thanks, everybody, for joining us today. And we look forward to talking to you again in about 90 days.

Operator: This concludes today's conference, and you may disconnect your lines at this time. Thank you for your participation.

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