

CBRE: One platform, distinct businesses?

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A portfolio taking shape

On July 29, 2026, CBRE Group filed its second-quarter report. Its Building Operations & Experience segment-BOE-reported \$6.686 billion in revenue for the quarter, up from \$5.833 billion a year earlier. The segment combines facilities management, property management, critical infrastructure services, and flexible workplace solutions. Yet the same filing says CBRE had decided to wind down “certain businesses within the BOE Segment.” It does not name those businesses or explain why.

That combination leaves a strategic question open. How much should a global real-estate services company coordinate businesses that share clients and locations but rely on distinct people, systems, and technical expertise? Public filings provide no line-level returns or customer-overlap data with which to settle it.

For this case, imagine that CBRE’s executive leadership group has asked you, in a **hypothetical role**, to recommend how it should govern BOE’s next stage. Should CBRE deepen selected commercial and operating links across the segment, or preserve more autonomy for its specialist businesses? The assignment is fictional; CBRE had not publicly announced this review or these alternatives. Use only the evidence available as of July 29, 2026. Recommend an operating model and explain what evidence would cause you to adjust it.

What sits inside BOE

CBRE established BOE in 2025 to unify building operations, workplace experience, and property management. Its 2025 annual report describes four service areas:

- **Enterprise facilities management:** multi-year contracts for large global occupiers, covering day-to-day building operations.
- **Local facilities management:** regional services for smaller or more localized occupier portfolios.
- **Property management:** building engineering, lease administration, accounting, and investment reporting for property owners.
- **Digital infrastructure and flexible workplace:** technical facilities services for data centers, and workspace/experience offerings through Industrious.

In November 2025, CBRE acquired Pearce, a provider of technical services for digital and power infrastructure. CBRE reported deploying about \$1.2 billion for Pearce and about \$468 million to

acquire the remaining 60% of Industrious in 2025. CBRE said the businesses expanded its exposure to secularly favored or resilient services. That is management's stated strategic rationale; the filings do not report whether these acquisitions produced cross-selling or operating synergies.

Some adjacent capabilities sit outside BOE. CBRE combined its project-management business with majority-owned Turner & Townsend and reports Project Management as a separate segment. In January 2026, CBRE moved data-center project work integrated with its facilities-management business from Project Management to BOE and recast prior-period segment results. This boundary decision offers one example of targeted adjacency; by itself, it does not show that broader integration is beneficial.

Exhibit 1. Service portfolio and reporting boundaries

Client need or service	CBRE business / reporting location	What the filing says
Global occupier building operations	Enterprise facilities management, within BOE	Multi-year contracts; technical services are typically self-performed while many soft services are subcontracted.
Regional or local occupier building operations	Local facilities management, within BOE	Serves smaller occupiers or more regional portfolios.
Owner-side building administration	Property management, within BOE	Building engineering, lease administration, accounting, and investment reporting.
Data-center facilities and technical services	Digital infrastructure / critical infrastructure, within BOE	Technical facilities services for hyperscale, colocation, and enterprise data centers; Pearce adds digital- and power-infrastructure services.
Flexible office and workplace experience	Industrious, within BOE	More than 250 locations in over 80 cities, according to CBRE's 2025 filing.
Program, project, and cost management	Turner & Townsend majority-owned business, separately reported Project Management segment	CBRE owns 70% of the combined entity. Selected data-center project work moved into BOE in 2026.

Sources: CBRE 2025 Form 10-K, Item 1, pp. 1-2; CBRE Q2 2026 Form 10-Q, Note 16, p. 32. The filing's broad BOE segment does not disclose customer overlap among its lines.

Growth has more than one explanation

CBRE's management described a stronger commercial real-estate market in the first half of 2026. It said leasing and investment-sale activity improved, occupiers' outsourcing supported demand for facilities and project management, and data-center build-outs supported demand for critical-infrastructure services. The filing also attributes part of BOE's critical-infrastructure growth to Pearce. The disclosures do not quantify these contributions separately.

Exhibit 2. BOE service revenue, costs, and reported profit measures

USD millions; quarter and six-month periods ended June 30.

BOE measure	Q2 2026	Q2 2025	H1 2026	H1 2025
Facilities-management revenue	\$5,311	\$4,784	\$10,540	\$9,253
Property-management revenue	699	646	1,383	1,232
Critical-infrastructure revenue	676	403	1,254	741
Total segment revenue	\$6,686	\$5,833	\$13,177	\$11,226
Pass-through costs	3,534	3,188	7,047	6,147
GAAP operating income	202	178	325	320
CBRE segment operating profit (SOP)	335	267	615	485

CBRE says pass-through costs are reimbursable costs for subcontracted third-party work and that the corresponding amounts are included in revenue. The table therefore does not show how much of reported revenue CBRE retains as service fees, nor the profit of any individual BOE line.

GAAP operating income and SOP are different measures. SOP is CBRE's segment-performance measure used by its CEO in resource allocation. It is presented before interest, tax, depreciation and amortization, and asset impairments; it also excludes specified items, including acquisition integration costs, wind-down results, and transformation and efficiency costs. Do not treat SOP as GAAP profit, cash flow, or a return on segment assets. CBRE does not disclose total assets by segment.

Source: CBRE Q2 2026 Form 10-Q, BOE table, pp. 43-44; segment note, pp. 32-35. Reported percentages and definitions are available in the filing. Figures are rounded as reported.

A rival's broad service platform

JLL's 2025 annual report describes a Real Estate Management Services platform that includes Workplace Management, Project Management, Property Management, and portfolio services. JLL reported \$13.849 billion in Workplace Management revenue in 2025, up 10% in local currency, and \$1.841 billion in Property Management revenue. Its filing describes a globally integrated delivery team serving occupier clients.

This is context, not a direct comparison. JLL includes Project Management in its Real Estate Management Services category; CBRE reports Project Management separately and places critical infrastructure in BOE. Revenue categories and business mixes differ, and JLL's claims about its platform are its own. These disclosures show that a major competitor offers a broad real-estate services platform; they do not establish that integration caused performance at either company.

Source: JLL 2025 Form 10-K, Item 1, pp. 5-8; Item 7, p. 52.

What research says about service scope

Giachetti (2012) studied 48 Italian facilities-management firms over 2000-2009, yielding 336 firm-year observations. The study measured diversification by the number of service types and performance by return on assets. In its curvilinear models, the service-count term was positive and its squared term negative—a pattern consistent with benefits at lower scope giving way to coordination costs as scope increases. The study is observational and based on a small, single-country sample; it does not identify a scope threshold or forecast for CBRE. It offers competing considerations for your decision, not a preferred answer. Giachetti, “A resource-based perspective on the relationship between service diversification and firm performance: evidence from Italian facility management firms,” *Journal of Business Economics and Management* 13(3) (2012), 567-585 (full text).

Your decision

Prepare a recommendation for the hypothetical executive leadership group. Choose how CBRE should govern BOE’s next stage, identify where shared resources or coordinated client coverage make strategic sense, and explain where specialist accountability should remain. State the information you would require before committing significant additional resources.

1. Which services appear to share customers, capabilities, or infrastructure? Which apparent overlaps still need proof?
2. How much of BOE’s reported growth can the public record attribute to service-line growth, acquisitions, market conditions, or presentation changes? What remains unknown?
3. What operating model do you recommend: selective integration, specialist autonomy, or a staged hybrid? Describe who would control investment and how performance would be evaluated.
4. What evidence gates should determine whether a capability is integrated, expanded, kept autonomous, or considered for wind-down? Do not assume which businesses CBRE is winding down or why.

Source note

- CBRE Group, Inc., 2025 Form 10-K, filed Feb. 12, 2026, [SEC filing](#).
- CBRE Group, Inc., Form 10-Q for quarter ended June 30, 2026, filed July 29, 2026, [SEC filing](#).
- Jones Lang LaSalle Incorporated, 2025 Form 10-K, filed Feb. 19, 2026, [SEC filing](#).

The cutoff is the CBRE 10-Q filing date, July 29, 2026. No later information is included. All statements about a hypothetical executive assignment or proposed operating alternatives are invented for teaching and are not attributed to CBRE.