

19-Feb-2026

Cushman & Wakefield Ltd. (CWK)

Q4 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good day, and welcome to the Cushman & Wakefield Fourth Quarter And Full Year 2025 Earnings Call. All participants will be in listen-only mode. [Operator Instructions] After today's presentation there will be an opportunity to ask questions. [Operator Instructions] Please note, this event is being recorded. I would now like to turn the conference over to Megan McGrath, Head of Investor Relations. Please go ahead.

Megan McGrath

Senior Vice President-Investor Relations, Cushman & Wakefield Ltd.

Thank you, and welcome to Cushman & Wakefield's fourth quarter and full year 2025 earnings conference call. Earlier today, we issued a press release announcing our financial results for the period. This release, along with today's presentation, can be found on our Investor Relations website at ir.cushmanwakefield.com. Please turn to the page in our presentation labeled Cautionary Note on Forward-Looking Statements. Today's presentation contains forward-looking statements based on our current forecasts and estimates of future events. These statements should be considered estimates only, and actual results may differ materially.

During today's call, we will refer to non-GAAP financial measures as outlined by SEC guidelines. Reconciliations of GAAP to non-GAAP financial measures, definitions of non-GAAP financial measures and other related information are found within the financial tables of our earnings release and the appendix of today's presentation. Also, please note that throughout the presentation comparisons and growth rates are to the comparable periods

of 2024 and in local currency, unless otherwise stated. All revenue figures refer to fee revenue, unless otherwise noted.

And with that, I'd like to turn the call over to our CEO, Michelle MacKay.

Michelle M. MacKay*Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.*

Thank you, Megan. I want to start by saying, I'm excited. I'm excited because of the exceptional results we delivered in 2025. I'm excited because the three-year financial targets and strategy we laid out at Investor Day. And I'm excited because of the transformational evolution we are seeing with AI. Starting with our 2025 results. We consistently and successfully executed against our targets, outperforming on many fronts. In 2025 we delivered 34% adjusted earnings per share growth, the highest total revenue and highest Leasing revenue in company history. More than 100% free cash flow conversion, and we ended the year at a net leverage ratio of 2.9 times, nearly a full year ahead of our original expectations.

In addition to this, we exited the year with momentum, especially in Capital markets where we delivered 15% growth in the fourth quarter. Our Leasing business continued its consistent and solid performance, contributing to our strong free cash flow. And our Services businesses continue to make strides on new business wins, retention and moving up the value chain. I am also excited about the three-year financial targets we presented to you at Investor Day in December, including 15% to 20% annual adjusted EPS growth. We have confidence in these targets and the strategic growth priorities we outlined.

We already see early indicators of success in these high growth areas, particularly in the Americas, where Capital markets was up 19% in Q4, and Multi-market leasing grew 33% in 2025. We also spoke about how our organization shows up as an enterprise for our clients. Let me highlight an example of this work. We recently won an integrated portfolio management mandate from a large international corporation. But why did we win? During the RFP process we showed up as a team, not just a group of individuals. We worked with the client not to just win their business, but to provide integrated execution across all of their locations. We displaced the incumbent.

Now, let's talk about the transformational evolution we're seeing in AI. Make no mistake, AI will create winners and losers. Winners will be trusted partners that provide advisory-led, relationship-driven solutions to their clients for complex problems. They will have large platforms and global execution capabilities. They will have flat organizational structures with changemakers in leadership roles. Winners will have embedded a culture of change, not constrained by traditional operating models and ways of working. They will be de-siloed, integrated enterprise with open data and information flow.

And most importantly, they will have proprietary data at scale across both the advisory and services businesses. As we discussed at Investor Day, we have already broken down every silo of every department, every data source, every technology. We are already deploying technologies that brings together our thought leadership, our data assets, and our AI capabilities to create digital workflows that extend to every single one of our clients and our colleagues. The work that we have done structurally, operationally and most important, culturally, underpinned by a strategy to move up the value chain, is exactly what this moment requires.

Now, I'll turn the call over to Neil to discuss our financial results in more detail.

Neil O. Johnston*Global Chief Financial Officer & Executive Vice President, Cushman & Wakefield Ltd.*

Thank you, Michelle, and good morning, everyone. Before I get started, a quick reminder, all comparisons are to the prior year and in local currency, unless otherwise noted, all revenue figures refer to fee revenue. We exited 2025 with strong momentum, capping off a year of meaningful improvements. For the full year 2025 we achieved top line growth in every service line and every reporting region. We expanded adjusted EBITDA margin by 46 basis points, while continuing to invest for organic growth. We generated over \$290 million in free cash flow, well exceeding our targeted free cash flow conversion rate. And we ended the fourth quarter below 3 times net leverage for the first time since 2022 after prepaying \$300 million in principal during the year.

Looking at the year in more detail. Revenue of \$7.1 billion increased 7% and adjusted EBITDA grew 11% to \$656 million. Adjusted EPS was \$1.22, up 34% from last year and at the high end of our guidance range. We delivered \$293 million in free cash flow for the year, representing a 103% conversion rate and \$126 million improvement versus 2024. The key drivers of our cash flow performance was strong earnings growth, continued prudent working capital management, higher accrued commissions and reduced interest costs. We believe the strength in free cash flow gives us ample flexibility to continue to balance our organic growth investments with our deleveraging targets.

We closed the year with approximately \$800 million in cash and cash equivalents and \$1.8 billion in total liquidity. Our leverage ratio improved to 2.9 times from 3.8 times at the end of 2024. Moving on to our quarterly results. Fourth quarter revenue of \$2 billion increased by 7%. Capital markets revenue was up 15% globally as transaction markets remained healthy. Our Leasing business delivered another strong quarter, growing 5%, and reaching the highest quarterly level ever for Cushman & Wakefield. Adjusted EBITDA of \$239 million increased 5%, as revenue growth was balanced against our ongoing ramp up and strategic investments, and higher annual healthcare costs which were weighted towards the fourth quarter.

Before moving on I want to address two non-cash items we incurred during the fourth quarter. We recorded a \$177 million impairment to our Greystone joint venture as a result of lower future earnings expectations relative to when we made the acquisition. As you recall, we made the Greystone acquisition in 2021 when market conditions and interest rates were much different. We continue to expect Greystone to be a solid contributor to earnings going forward, just at a slower pace than we originally forecasted. For 2025, Greystone contributed \$36 million of adjusted EBITDA, which we believe is a reasonable run rate going forward.

Secondly, we recorded a roughly \$27 million gain included in other income, which primarily represents our investment in international facilities management company that went public in Q4. Both of these items are non-cash and excluded from adjusted EBITDA and adjusted net income. Moving to service line performance for the quarter. In the Americas, Leasing grew 5% with continued strength in office and industrial driven by higher deal count and increased revenue per lease, as clients continued to prioritize a high quality employee experience. In industrial, demand remains centered on large modern facilities and the market is seeing substantial demand for sites over 500,000 square feet that can support automation at higher power requirements.

Across both office and industrial asset classes we continue to see opportunities for our project management businesses as occupiers and investors seek to elevate the quality of their properties to meet evolving market demand, particularly as new construction activity declines. In APAC, Leasing revenue increased 5%, driven by strength in India and improvements in Greater China. In EMEA, Leasing grew 7%, driven by strength in Netherlands, Belgium and Poland. Turning to Capital markets, our efforts to expand our platform continued to drive positive results. In the quarter, we achieved 15% growth globally, following 36% growth in the fourth quarter of the prior year.

This sustained momentum reflects our ongoing investments in hiring top talent, and strengthening our platform, which continue to enhance our competitive positioning. Americas Capital markets grew 19% with particular strength in office and retail. EMEA grew 9%, led by the UK, Belgium and Spain. APAC Capital markets declined 5%, primarily due to a difficult prior year comparison in Japan. Finally, turning to Services. Fourth quarter Services revenue grew 6% globally as we drove strong project management revenues across our global platform. We continue to prioritize steady, profitable growth in the segment as we move up the value chain with our clients.

Moving now to our 2026 outlook. In line with the three-year targets we provided at our Investor Day, we anticipate 2026 revenue growth of 6% to 8%, with full year service line growth trends similar to 2025. We anticipate adjusted EPS growth of 15% to 20% with expected free cash flow conversion in the 60% to 80% range. We also plan to continue de-levering consistent with our three-year target of reaching 2 times leverage in 2028. In closing, our teams executed exceptionally well in 2025, driving strong growth across our global platform, meaningfully improving free cash flow and investing in the business, while also reducing our leverage. This strong performance gives us confidence in our 2026 and three-year targets as we focus on continuing to deliver long term value to our shareholders.

Now, I'll turn the call back over to Michelle.

Michelle M. MacKay

Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.

Thank you, Neil. We have entered 2026 with confidence and momentum supported by a defined set of strategic priorities, a stronger balance sheet and operating leverage embedded across our platform. As we stated in December, our opportunity is undeniable and our path is clear. Our model aligns client success with our success, and we have compelling financial targets that we believe will generate long term shareholder value. We are meeting the AI transformation with insight and actionable advice on how this will shape the built world. We invite you to join us on Monday on a webcast hosted by our think tank, where they will be presenting the first phase in a body of work focused on answering the most critical questions around AI and its impact on the commercial real-estate industry. A big thank you to all of our employees who are changemakers, enterprise-first thinkers, and who focus on value creation for our clients and shareholders every day.

Now, I'll turn the call over to the operator for questions.

QUESTION AND ANSWER SECTION

Operator: We will now begin the question-and-answer session. [Operator Instructions] The first question comes from Julien Blouin with Goldman Sachs. Please go ahead.

Julien Blouin

Analyst, Goldman Sachs & Co. LLC



Yeah. Thank you for taking my question this morning. Michelle, I appreciate your comments on AI creating winners and losers. One of the topics or debates that's out there is related to fears that one of the losers could be mid-market or smaller deal size brokerage businesses, given sort of less complexity of deals, greater standardization, greater prevalence of digital buyers. When you look at your sort of average transaction size, it does seem to skew lower than some of your other peers. Wondering, do you think that that is a real potential risk within the business?

Michelle M. MacKay

Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.



Good morning, Julien. Thank you for your call or question. We believe the concerns about AI disintermediating the commercial real estate brokerage on whole are materially overstated. This is not the residential sector. And yes, there are commercial real estate transactions that are large, complex, negotiation-driven decisions, but there are also mid-sized deals that are complex and negotiations-driven, and in each case there is significant financial and operational risk to those individuals signing those leases. So we believe that AI is absolutely going to enhance underwriting or market intelligence efficiency, but it's far more likely to augment a trusted advisor than replace them. Think about making a five-year to 10-year decision, think about the financial impact of that on a company, and as to whether or not they would turn that decision over to AI. We do not believe that will be the case.

Julien Blouin

Analyst, Goldman Sachs & Co. LLC



No. Thank you. That's really helpful. And Neil, maybe on the EMEA side, top line results were strong, but the margin came in a little lower year-over-year. Just wondering, are you still confident of driving EMEA margin growth in the EMEA after the Services business sort of restructuring you affected?

Neil O. Johnston

Global Chief Financial Officer & Executive Vice President, Cushman & Wakefield Ltd.



Yeah. Absolutely, Julien. I think, the way to look at EMEA is really to look at it on an annual basis. And as we look at the full year, we saw very, very nice improvement in margin, overall. We are particularly pleased with what we're seeing on the Services side, both in property management and in project management. The fourth quarter, we did have a little bit of a decline in margin, but that was really just driven by the timing of certain one-time expenses. Feel very confident as we look forward.

Operator: The next question comes from Ronald Kamdem with Morgan Stanley. Please go ahead.

Ronald Kamdem

Analyst, Morgan Stanley & Co. LLC



Great. Just staying with the AI theme, if you think about, we talked about sort of large, mid and small, but there's also sort of different property types, whether it's office, industrial and retail. And as you guys are sort of re-underwriting the business, how do you sort of think about the risk to the end markets across those sort of subsectors, and does that make you want to position differently?

Michelle M. MacKay*Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.***A**

Yeah. Great question, Ron. Thank you. The call that I mentioned that we're hosting on Monday, that you are all welcome to attend, is the conversation and are presenting the answers to the question that you're answering. Because most of the dialog in our industry has rightfully been focused around data centers and AI, but this goes much further. When you talk about industrial, what are the needs for an industrial asset going forward, what makes an office building compelling? Our researchers and experts have been studying AI's impact to GDP, employment demand, vacancy, rent values and has implications to your point across nearly every sector and office class. So I would encourage you to attend our call on Monday, because we're going to be creating practical tools for our clients so they'll get a look, a first look at our new AI impact barometer, which is the first of its kind framework to help both real estate investors and our occupier clients make better long term real estate decisions by understanding the trend lines of AI's impact as it unfolds.

Ronald Kamdem*Analyst, Morgan Stanley & Co. LLC***Q**

Great. My quick follow up, just wanted to double click on the guidance a little bit. Appreciate you guys gave three-year targets. And I think you said in your opening comments that Services revenue growth would be comparable in 2026 to 2025. But wondering if you could sort of comment on Leasing revenue growth, Capital markets revenue growth and just margin trajectory for the year. Thanks.

Neil O. Johnston*Global Chief Financial Officer & Executive Vice President, Cushman & Wakefield Ltd.***A**

Yeah. Absolutely, Ron. So in my prepared remarks, I did say that we expect 2026 to unfold in a very similar fashion to what we saw in 2025. And that not only applies to overall revenue, but also the revenue growth of each of our service lines. So we're very pleased, you asked specifically about Leasing, very pleased with what we're seeing in Leasing. We hit the highest numbers Cushman ever has in the fourth quarter, and we see that continued growth moving into 2026. Certainly as we look, economic indicators are strong, pipelines look good. So feel pretty good about 2026. In terms of margin, we gave a three-year guide on margin, but we don't give full year guidance on margin. And so I would focus on our EPS guide of the 15% to 20%, and then the other color around each of the service lines.

Operator: The next question comes from Stephen Sheldon with William Blair. Please go ahead.

Stephen Sheldon*Analyst, William Blair & Co. LLC***Q**

Hey, good morning. Thanks for taking my questions. Maybe starting with Michelle, I think, one of the things you talked about at the Investor Day quite a bit was trying to drive even more cross-selling motions between business lines. So can you talk about some of the things you're working on as an organization, as we think about 2026 to support better cross-selling activity this year, I guess, what are some of the big initiatives that you guys are trying to sort of push through?

Michelle M. MacKay

Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.

A

Yeah. Thank you. You've watched us shift around our senior level leadership. You've watched us reorganize to get ourselves set up for what we call the [ph] spine (00:20:33). But I think, equally important, and where AI comes into this conversation again is how AI is driving that flow of data and information. So if you think about the siloing in organization, it's one thing to do it structurally and organizationally. It's something else to have the data flow freely throughout the organization.

So a big piece of what we're doing, aside from tracking the cross-selling and adjusting people's compensation going forward as it relates to that is that, in Capital markets we have a Capital markets CRM; in legal we have contract and obligation management using AI; in asset services we have a proprietary platform with guided insights; in Leasing we're using [ph] OneAdvise (00:21:15) which helps automate digital tour books, lease negotiations, benchmarks; in GOS we have space planning, kind of et cetera, et cetera, et cetera, and what that does is, that really creates a very strong data lake for us to work with as we're cross-selling to our clients.

Stephen Sheldon

Analyst, William Blair & Co. LLC

Q

Got it. That's really helpful. And maybe just on capital deployment, really nice to see Cushman in the year sub-3 turns of leverage. So I know you have the goal of reaching 2 times by 2028. So how aggressive do you plan to be in 2026 in terms of focusing on de-levering, if that still the big priority, or could you be more aggressive in other areas such as continued organic reinvestment and potentially M&A, how are you generally thinking about it?

Neil O. Johnston

Global Chief Financial Officer & Executive Vice President, Cushman & Wakefield Ltd.

A

Yeah. Certainly very pleased with what we've – how leverage has come down and the \$300 million of prepayment. As we look to 2026, we sort of expect to maintain a balanced approach to how we think about capital allocation. So certainly, we will be looking at organic growth. As you mentioned, that's a key component of our growth in our three-year plan. But we will also continue to reduce debt. As we said at our Investor Day, our plan is to get to 2 times in 2028, and so that will involve additional debt repayment. But I think, balanced is the best way to think about it.

Operator: The next question comes from Seth Bergey with Citi. Please go ahead.

Seth Bergey

Analyst, Citigroup Global Markets, Inc.

Q

Hey, thanks for taking my question. I guess, just first off, could you provide a bit more color on what your exposure is to office? I think, that's come up as a factor that's viewed as more likely to be disrupted by AI.

Neil O. Johnston

Global Chief Financial Officer & Executive Vice President, Cushman & Wakefield Ltd.

A

Yes. Sure. Office for us overall, if we look at Leasing, in particular, we have, our mix is roughly 55%, and then on the Capital markets side it's around 21%. So overall, just over 40% is the way in which we think about office.

Michelle M. MacKay

Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.

A

Yeah. Just talking a bit more about office, Seth, there was a Wall Street Journal article that came out this week, some follow up articles around delinquencies. There's a couple of things to note. First, we generally do not work in the Class B office space, and that is a space that we feel is going to be the most impacted by this transition. Again, I reflect you back to joining the call on Monday for further discussion around that. And Seth, as there are increasing delinquencies in real estate, I want you to understand, we don't own any real estate, and the most important driver of our results is really velocity. So if the increase in delinquencies leads to more buildings, changing hands and a bit more price discovery, that's a net positive not only for our brokerage business but also for our Services business, as this means they've got the opportunity to manage buildings as they change hands.

Seth Bergey*Analyst, Citigroup Global Markets, Inc.*

Great. Thank you. And then maybe just sticking a little bit with the AI topic. Does it change the way you think about kind of head count needs for different parts of the organization?

Michelle M. MacKay*Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.*

We think a lot about AI as a tool to empower our employees. Remember, we have combinations of people who are deep experts, a lot of skilled labor out there that's on site. We do not anticipate a massive reduction in our labor force and our workforce and our white collar jobs. We actually see this as a great opportunity for us to build and grow the platform without necessarily adding people. And so that's a great operating leverage point for us using AI in combination with the employee.

Operator: The next question comes from Anthony Paolone with JPMorgan. Please go ahead.

Anthony Paolone*Analyst, JPMorgan Securities LLC*

Great. Thanks. My first question relates to just your 2026 guidance relative to your three-year outlook. If I look at your revenue growth, it's basically the same thing you expect for 2026 as you laid out for your three-year goal. And if I step back and think about like the transactional businesses having been bouncing off of like lower levels, I would think that those comps get tougher as you look out over the next three years, maybe that growth slows. So I was wondering, is that something you all foresee in the future and thus have other parts of the business that you think accelerate while those maybe come back down to more normalized levels, or you think your system just will be more steady than what the market might deliver the next few years?

Michelle M. MacKay*Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.*

Hi, Tony. Thanks for the question. The Capital markets recovery is certainly underway, but we believe it's still in the early stages. So pricing has largely reset, capital has returned, and the recovery has room to run. So we have always spoken about how we think this is going to be a very steady uplift in Capital markets over a couple of years. We have all the elements that are really shaping up to be healthy for these markets. And we don't think, by the way, a 25-basis point move by the Fed in one direction or another really changes this. Industrial leasing demand has reaccelerated. On of the 83 markets that we track, 55 have already registered positive net absorption in 2025, and we think that's going to continue. Part of this is also in balance to the fact that there's been such a limited amount of construction, Tony, over the last several years, that those assets of higher quality are going to continue to gain value, and we think there's still momentum in most of these asset classes at the higher quality level.

**Anthony Paolone***Analyst, JPMorgan Securities LLC*

Okay. And then just follow up on the capital allocation side. Just any thoughts on stock buyback just given what's happened into the stocks with this AI-driven downturn.

**Michelle M. MacKay***Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.*

Look, we're certainly evaluating share buybacks, especially given where the stocks been trading recently. We believe our share price right now is holding extraordinary value. However, in terms of capital allocation, our main priority is investing for organic growth and deleveraging the company. In the longer term, share buybacks will certainly be on the table.

Operator: The next question comes from Alex Kramm with UBS. Please go ahead.

**Alex Kramm***Analyst, UBS Securities LLC*

Yes. Hey, good morning, everyone. Just maybe this is definitely a follow up from the 2026 guidance. And Neil, can you maybe be a little bit more specific on the Services side, because you said same as last year, but there were a lot of moving pieces, organic, non-organic, a couple of business shutdowns. So maybe just help us specifically there. And while you're on that topic of Services, maybe just flesh out where you're the most excited, it sounds like project management is an area of strength, but maybe talk about what you're expecting in some of these other businesses in Services.

**Neil O. Johnston***Global Chief Financial Officer & Executive Vice President, Cushman & Wakefield Ltd.*

Sure, Alex. In terms of the guide, I provided sort of high level ranges for the full year and each of the Service lines, well, we expect to be very similar to what we saw this year. So don't really have any much more color there other than that guidance. Your question on Services is a good one. I think, we had a very, very strong year in services. Essentially we moved from flat Services growth the year before to 6% growth, organic growth in 2025, and that really is the number that we are picking to. We've said all along that we expect Services to be in the mid to high single growth rate, and we feel very good about what we're seeing in that business and what we expect to see.

We have some great new wins in the year, and we've seen some real momentum. As you mentioned, we saw a strong improvement in project management in the back half of the year, especially outside the US and EMEA and APAC. And we believe this was driven by confidence in the economy and confidence in people doing work and strong real estate fundamentals. So in asset services, we have a growing pipeline. Asset managers and investors are reevaluating who is managing their buildings and how to manage that property, and we have a very, very strong presence there. So I think, across all of our Services lines, we expect some good momentum as we go into 2026.

**Alex Kramm***Analyst, UBS Securities LLC*

Okay. No, that's helpful. Thank you. And then just maybe very quickly, on the margin side, I understand no specific guidance here, but maybe just flesh out a little bit the biggest areas of investing, maybe by business line.

But then also, I mean, you've been looking at efficiencies. I assume that's ongoing, maybe some areas that you're looking in particular, or you think the heavy lifting has been done here?

Neil O. Johnston*Global Chief Financial Officer & Executive Vice President, Cushman & Wakefield Ltd.***A**

Alex, I think, most of the heavy lifting on the cost side have been done. But we are maintaining our cost discipline, and that's a key part of everything we do, looking at profitability in our Services business, looking at how we are driving growth in a profitable fashion. So cost is sort of become part of our culture, but it's not the key focus. The key focus is on growth as we go into 2026.

Operator: The next question comes from Mitch Germain with Citizens Bank. Please go ahead.

Mitch Germain*Analyst, Citizens JMP Securities LLC***Q**

Good morning, guys. Greystone, it just seems like [indiscernible] (00:31:07) the inputs in your calculation changed a bit because of the backdrop, is that the way to consider the write-down?

Neil O. Johnston*Global Chief Financial Officer & Executive Vice President, Cushman & Wakefield Ltd.***A**

That's exactly right. When we look at our assumptions for that acquisition as we look out compared to the original assumptions when we made the investment in 2021, we felt like adjusting the value of that joint venture was appropriate.

Mitch Germain*Analyst, Citizens JMP Securities LLC***Q**

Got you. It seems like a different press release almost daily from you guys on new hirings. Michelle, I'm curious about how the company is approaching hiring in 2026. Do you think it's going to be greater than what you accomplished in 2025? Just some thoughts around that, and maybe where the emphasis is in terms of where you're looking to add people.

Michelle M. MacKay*Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.***A**

Great. Thank you for the question. Yeah. We'll continue on pace. We have a substantial budget for recruiting going into 2026. You'll continue to see us hire both in institutional capital markets globally and Leasing as well. So no slowdown from us.

Operator: The next question comes from Brendan Lynch with Barclays. Please go ahead.

Brendan James Lynch*Analyst, Barclays Capital, Inc.***Q**

Great. Thank you for taking my question. Michelle, I wanted to follow up on your comment about Capital markets still having a room to run. What, if anything, needs to change to kind of keep things going at this level and get back to the levels seen in past cycles, or is it just a matter of avoiding a recession that could kind of sustain the recent pace of growth?

Michelle M. MacKay

Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.

A

Yeah. I think, to your point, avoiding any dramatic economic event will continue on pace here, and when you see the tenure bumping around 4%, 4.5%, as most of us on this call know, the market likes that, you can transact in those zones. And we think that's most likely what's going to be happening over the next year plus. We continue to, as I've said many times, we don't think there's going to be the kind of peakish recovery you saw in something like 2022 coming off a market that was totally shut down. We think there's just going to be continued growth, asset values are going to increase and transaction volume over time is going to increase as well.

Brendan James Lynch

Analyst, Barclays Capital, Inc.

Q

Great. Thanks. That's helpful. And Neil, to follow up on one of your comments about industrial demand being strong, particularly for sites that are greater than 500,000 square feet, maybe could talk a little bit more about how the customer base has evolved and what is driving the strength in demand for that particular size of asset.

Neil O. Johnston

Global Chief Financial Officer & Executive Vice President, Cushman & Wakefield Ltd.

A

Yes. So that reference is really particularly focused on the Americas. In the Americas, our industrial leasing was very strong, up 10%. And I think, that the key thing is that, we are continuing to benefit from flight to quality. And so this sector has been very resilient. We certainly remained very optimistic about what we're seeing in the industrial space with the strong e-commerce, last-mile delivery trends support these large industrial facilities. And so that certainly has been an area of strength for us and one that we see continuing into 2026.

Michelle M. MacKay

Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.

A

Yeah. And just to add a little more context there, large users often seeking modern logistics facilities to support automation and higher power requirements were the primary drivers of demand. And we think that's what's going to keep industrial leasing on track. The overall vacancy rate has held steady for the past three quarters, and construction is down 62% from 2017. So you have a really healthy formula here for driving growth in industrial.

Operator: The next question comes from Patrick O'Shaughnessy with Raymond James. Please go ahead.

Patrick Joseph O'Shaughnessy

Analyst, Raymond James & Associates, Inc.

Q

Hey, good morning. Just one question from me, a bigger picture question on your multi-family origination strategy. Given some of the headwinds facing the Greystone JV, is there potential for you to change up how you approach that multi-family origination business, and is a JV still the right structure versus owning the business outright?

Michelle M. MacKay

Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.

A

That's a really interesting question and something we're certainly considering. I wouldn't say that we're going to change the way we do business. That business is pretty structured in the way that it operates. But let's just say, we're being a little more hands on in the JV with the operations, and really helping to guide that management team to a more profitable business model.

Q

Patrick Joseph O'Shaughnessy

Analyst, Raymond James & Associates, Inc.

Great. Thank you.

A

Michelle M. MacKay

Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.

Yeah.

Operator: This concludes our question-and-answer session. I would like to turn the conference back over to Michelle MacKay for closing remarks.

Michelle M. MacKay

Global Chief Executive Officer & Director, Cushman & Wakefield Ltd.

Thank you, everyone. And we hope to see you at our webcast on Monday, where we already have more than 2,000 clients registered to attend.

Operator: The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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