Where Will Young India Live?

Unlocking public land to house a generation of learners

-*Amitabh Kant and Atharv Gupta

India is the youngest major economy in the world. Over 150 million Indians are between 18 and 23. If India is to grow at 8–9% a year for the next three decades and become a developed nation by 2047, this generation must be educated, skilled and productive. That is why raising the Gross Enrolment Ratio in higher education from under 30% to 50% by 2035 is so critical. It means adding 34 million students to the 40 million already enrolled.

But there is a question we have not asked loudly enough. Where will these students live?

Our best institutions are concentrated in a dozen urban clusters: Delhi-NCR, Mumbai, Bengaluru, Hyderabad, Pune and Chennai. Every year, millions of young Indians from Tier-2 and Tier-3 towns and villages migrate to them. If even one in three new students needs a bed away from home, India must create about 10 million beds within a decade. That is an investment of over $150 billion in purpose-built student accommodation alone, within a wider higher education infrastructure need of nearly $1 trillion.

Today, barely one in ten students lives in organised hostels. Professionally managed private student housing serves less than 1% of enrolments. Public hostels run at an average occupancy of just 56% as they are ageing, badly located and poorly maintained. The rest are pushed into an unregulated market of paying-guest rooms, converted basements and sublet flats.

The cost is human. On 6 September 2026, seven people lost their lives when a building housing a boys' paying-guest accommodation collapsed in Satya Niketan. These tragedies were not aberrations. They were symptoms of neighbourhoods where structural safety, ventilation and fire standards are traded for density and margin. No young Indian should have to risk their life for a place to study or live. The burden falls hardest on first-generation learners from small-town India, for whom a city college is the ladder of mobility. They do not lack talent. They lack a safe place to live.

Government has announced a host of schemes to address this crisis. HEFA has mobilised over $4 billion for campus infrastructure. PM-USHA is strengthening state universities. Dedicated hostel schemes support SC, ST and OBC students. Since 2024, student accommodation up to ₹20,000 a month has been exempt from GST. NEP 2020 has brought global universities onto Indian soil, and PM-Vidyalaxmi offers collateral-free loans that cover living costs. These are bold reforms. But they have largely unlocked demand, not supply. And supply will not come until we fix the economics.

The arithmetic is simple. A family can afford about ₹10,000 a month per bed. At a 65% operating margin, that generates roughly ₹520 per sq. ft. a year. Construction costs ₹3,500 per sq. ft. and urban land adds another ₹2,869. On an all-in cost of ₹6,369, yields are 8.2%, a full 300 basis points below the 11% investors demand. Rents simply cannot carry the land. That is why global capital, which pours billions into student housing elsewhere, has stayed away from one of the most underserved markets in the world.

Public universities in the United States lease land to private partners for 40 to 65 years where the developer builds and operates, and the university keeps the land. In the United Kingdom, student housing has become a mainstream asset class owned by pension funds and REITs, anchored by nomination agreements under which universities underwrite occupancy.

Germany's Studierendenwerke deliver subsidised housing with federal co-financing. Closer home, IIT Madras has reportedly signed a 30-year concession for housing its scholars. It's time for India to separate land ownership from development.

First, lease public land and don't sell it. Ministries, states, universities and PSUs own idle land near every major education cluster. The National Land Monetisation Corporation should open a dedicated student-housing window with standard 30-to-60-year concessions. Replacing land purchase with an annual ground rent of about ₹135 per sq. ft. lifts yields to 11% and equity returns above 20%. At scale, it would earn the state around ₹20,000 crore a year from land that earns nothing today.

Second, let universities anchor demand through nomination agreements and master leases, and route PM-Vidyalaxmi living-cost disbursements to accredited housing providers.

Third, build vertically. States must grant FSI/FAR bonuses for education and student-housing zones, backed by single-window approvals.

Fourth, open the capital markets. Recognise student housing as infrastructure for long-tenor lending, extend HEFA to ground-lease PPPs, and pool stabilised assets into education REITs and green bonds for pension and sovereign funds.

Fifth, raise standards. States must adopt the Model Tenancy Act, register PGs with mandatory fire and ventilation norms, and reserve subsidised beds for SC, ST and EWS students, cross-subsidised by lease income.

None of this needs new taxes or fresh borrowing. It needs the state to move from builder to enabler, and to treat land as productive capital rather than dormant inventory. Our states compete fiercely for investment; they must now compete to be the best places in India to study and live. If we get this right, we will not merely house a generation. We will give young India the foundation on which to build a developed nation by 2047.

**The authors are Chairperson, Fairfax Centre for Free Enterprise and former G20 Sherpa of India and CEO, NITI Aayog and a young intern and a student of American School of Bombay, Mumbai. Views expressed are personal.*