www.anarock.com

ANAROCK
INVESTMENT BANKING

The Academic Real Estate Supercycle: **India's 2.7 Bn sf, 30,000-acre Opportunity**



Executive Summary

India's higher-education sector is poised to emerge as a defining driver of institutional real estate demand over the next decade.

Achieving policy-driven enrolment targets will require the development of **nearly 30,000 acres of new campus land** & **~2.7 Bn sf of academic infrastructure, implying USD 100 Bn of construction-led investment** even before factoring in land acquisition & student accommodation.

This scale of physical expansion – underpinned by demographic momentum, rising enrolments, globalisation of education, and landmark regulatory reforms – positions India's higher-education sector as arguably the largest higher-education expansion opportunity globally.

Higher Education Enrolments

Universities & Higher Education Institutions (HEIs)

A Structural Wave of Demand: Enrolments Rising to ~45 Mn

India's higher-education enrolments (post XII grade) have surged from 27 Mn in 2010-11 to 45 Mn in 2022–23, propelled by a powerful demographic engine and rising aspirations across households. The country is witnessing a dramatic expansion in its higher-secondary (XI+XII) pipeline, materially increasing tertiary education demand and strengthening multi-year visibility for sector growth.

Outbound Students

Outbound Students: Demand Leakage from Insufficient Domestic Capacity

With 1.34 Mn Indian students abroad, India is one of the world's largest contributors to the global pool of internationally mobile students. Outbound numbers nearly doubled (2x) between AY2019 & AY2024, driven in part by India's low representation in the global top 500 universities, where only 11 Indian institutions make the list.

India's status as one of the world's top five economies and the fastest-growing large economy makes domestic education increasingly compelling. At the same time, tightening visa norms and shrinking job markets overseas are weakening the case for foreign study. For investors, this creates a pivotal moment to participate in the shift of demand back into India.

The Academic Infrastructure Gap: A 2.7 Bn sf Build-Out Across 30,000 Acres

India has materially expanded higher-education capacity, with universities rising from 760 to 1,338 and total Higher Education Institutions (HEIs) from 51,534 to 70,018. However, academic infrastructure remains under-supplied relative to policy objectives and demographic demand.

The National Education Policy (NEP) 2020 targets a Gross Enrolment Ratio (GER) of 50% by 2035, implying the addition of ~25 Mn seats. This equates to ~2.7 Bn sf of academic development across ~30,000 acres, requiring ~USD 100 Bn in academic infrastructure investment. This scale of expansion places India among the largest higher-education build-out markets globally over the next decade.

We believe the provision in the Union Budget 2026 to support the creation of five University Townships reflects a recognition of the gap in academic infrastructure.

Inbound Students

Inbound Students: An Underpenetrated, High-Value Demand Pool

Despite being one of the world's largest education ecosystems, India captures less than 1% of the globally mobile student market. Inbound students, typically fee-paying and high-value, offer a significant upside opportunity.

Source: Compiled by ANAROCK Capital Research

AY = Academic Year

Regulatory Breakthrough: FHEI Regulations Open India to the World

The 2023 FHEI Regulations represent one of the most consequential reforms in the sector's history. For the first time, top global universities can establish independent campuses in India with their own degrees, full autonomy, and UGC oversight.

Several state governments have complemented this regulatory opening with targeted, execution-oriented initiatives:

1) **Uttar Pradesh** has rolled out stamp duty exemptions and capital subsidies for higher education institutions

2) **GIFT City** or Gujarat International Finance Tec-City, has created a dedicated international campus framework with shared academic infrastructure for foreign universities

3) **Maharashtra** has anchored its strategy around a 250-acre "Educity" near the Navi Mumbai International Airport, securing commitments from five Foreign Higher Education Institutions

Several global institutions – including **Southampton, Deakin, Wollongong**, and others – have already commenced or announced campuses. The pipeline reflects strong international confidence in India's education market and signals the beginning of a structural shift in how global institutions view India. This opening creates significant partnership, asset creation, and operating opportunities for global investors.

Structural Frictions Persist – Gradual Easing

India's higher-education sector continues to face structural constraints that limit rapid capacity scale-up, including the not-for-profit operating framework, faculty shortages, and a fragmented regulatory landscape. To enable commercial participation, many private institutions operate through TrustCo-Opco structures, where academic activities are housed in a not-for-profit trust while a for-profit entity owns assets and provides services. While functional, these structures often remain complex, adding regulatory friction and execution risk.

The Viksit Bharat Shiksha Adhikshan (VBSA) Bill, 2025, nonetheless aims to consolidate UGC, AICTE, and NCTE into a single regulator, which could improve approval timelines, reduce overlaps, and incrementally enhance ease of doing business – though core monetisation constraints are likely to persist.

Why This Matters Now – The Investor Imperative

India's higher-education sector is at an inflection point:

1) Demand is expected to be robust over the coming decade driven by shifting aspirations & rising affordability

2) Domestic supply is structurally insufficient

3) Outbound flows represent a multi-billion-dollar substitution opportunity

4) Inbound potential remains underpenetrated and ripe for capture

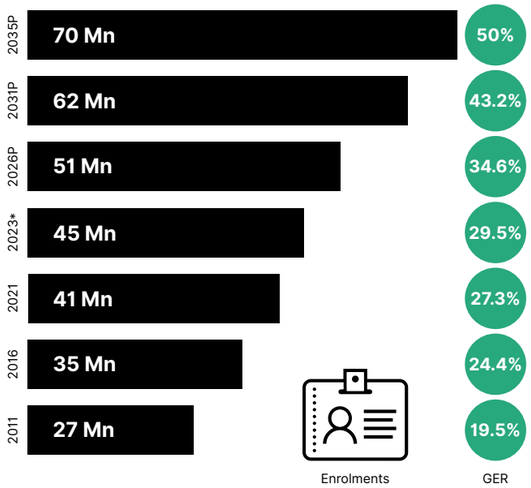
5) Global universities are entering now, not waiting

6) Policy shifts are opening new, institution-friendly pathways for growth and investment

For global investors, operators, and education platforms, the current phase offers a meaningful opportunity to build a strong position in India's evolving higher-education landscape.

Over the next decade, policy direction, demographic shifts, and institutional reforms are likely to shape how this sector expands and who participates in its growth. The opportunity is significant, the direction increasingly clear, and early signs of momentum are already visible across data, policy developments, and market activity.

Higher-Education Enrolments Surge to 45 Mn in 2022-23



Rising aspirations and a rapidly expanding higher-secondary pipeline are reshaping India's tertiary education landscape

Gross enrolment in higher education has grown strongly driven by:

- Demographic momentum
- Increasing demand from higher-secondary graduates
- Households placing greater value on formal qualifications
- More students are transitioning from schooling to tertiary education

Achieving a GER* of 50% by 2035 will require 25 Mn additional seats

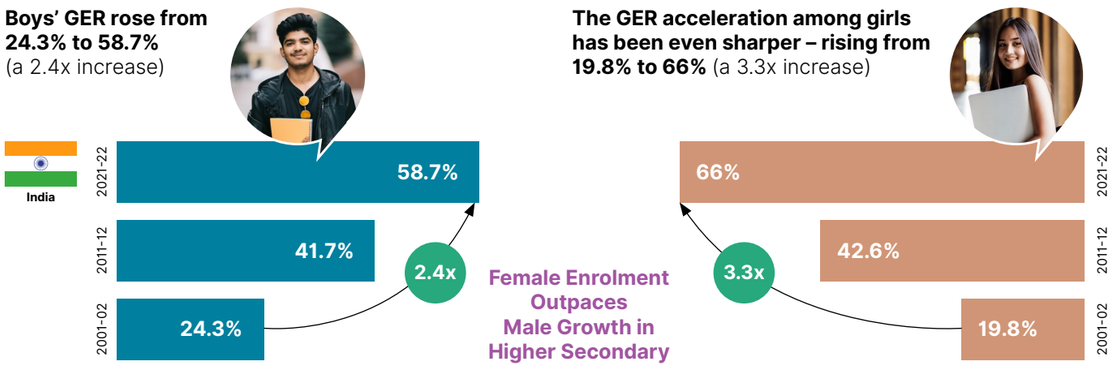
The National Education Policy (NEP) 2020 sets an ambitious goal: increasing India's GER in higher education to 50% by 2035. Based on current enrolment trends, we estimate that achieving this target will require an additional 25 Mn seats across universities and colleges.

Higher-Secondary (XI-XII) GER^ Surge Strengthens Demand Outlook

Overall higher-secondary GER has increased from 19.5% in 2010-11 to 62.3% in 2021–22

A larger pipeline of Grade XI-XII students ensures sustained growth in tertiary enrolments. This sharp rise provides strong forward visibility for continued demand in higher education. With more students completing Grades XI-XII, the pipeline feeding into tertiary institutions is widening, reinforcing a positive long-term outlook for the sector.

Boys' GER rose from 24.3% to 58.7% (a 2.4x increase)



The GER acceleration among girls has been even sharper – rising from 19.8% to 66% (a 3.3x increase)

*Provisional Estimate
^**Gross Enrolment Ratio (GER)** is the total enrolment in higher education, regardless of age, expressed as a percentage to the eligible official population (18-23 years) in a given school year.

Source: Compiled by ANAROCK Capital Research

Rapid Expansion in Higher-Education Institutions

In response to accelerating student demand, India's higher-education capacity has expanded significantly.

The number of universities has increased from 760 in 2015 to 1,338 today, while the total number of Higher Education Institutions (HEIs) has grown from 51,534 to 70,018.

No. of Universities	**760** (2015)	**1,338** (2025)
No. of HEIs	**51,534** (2015)	**70,018** (2025)
Enrolment in Colleges (2022)	**65%** Private	**35%** Government

Rising demand drives a substantial need for new academic infrastructure

An analysis of current enrolment distribution indicates a stable 20:80 student mix, with ~22% of students in universities and ~78% in colleges/standalone institutions.

Assuming this mix holds through 2035, this distribution forms the basis for estimating future infrastructure needs.

Classification of Higher-Education Institutions in India

University

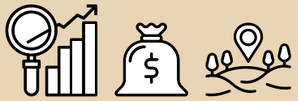
A university is an institution of higher learning empowered by an Act of Parliament / State Legislature or declared as a University under Section 3 of the UGC Act, 1956. It is authorized to award its own degrees. Includes Central Universities, State Universities, Private Universities, Deemed-to-be Universities, and Institutions of National Importance.

College

A college is an institution that provides higher education and is affiliated to a University. It conducts academic programmes prescribed by its affiliating University and cannot award its own degrees.

Standalone Institution

A standalone institution is an institution not affiliated to a university, but offering programmes that lead to diplomas or professional degrees, regulated by other statutory bodies such as AICTE, NCTE, ICAR, INC, etc. Examples include: Nursing Institutes, Teacher Training Institutes, Hotel Management Institutes, etc.



Infrastructure Build-Out: 2.7 Bn sf of New Academic* Space Required, Spread Over ~30,000 acres

Capital outlay estimated at ~USD 100 Bn for construction of academic facilities alone

The incremental 25 Mn seats translate into 2.7 Bn sf of additional built-up area over an estimated 30,000 acres, requiring investment of ~USD 100 Bn, solely for academic facility development.

Importantly, not all of this investment will necessarily be on the balance sheets of education institutions.

Many new entrants – particularly private players and foreign universities—might adopt an asset-light entry strategy, leasing space within existing or purpose-built office / institutional buildings during the initial years, before committing capital to owned campuses.

While this approach may moderate upfront capital expenditure for the institution, it does not reduce overall investment demand. Instead, the capital requirement shifts to landlords and developers, who will deploy capital to create requisite physical infrastructure suitable for institutional needs.

Consequently, the projected built-up area and associated investment remain structurally intact, albeit with some share flowing through the commercial real estate and institutional leasing ecosystem.

* Note: This includes administrative space, but excludes student/teacher accommodation

Source: Compiled by ANAROCK Capital Research

University Townships – Higher Education Infrastructure Initiative

What?



5 Integrated University Townships

Where?

Near Major Industrial & Logistics Corridors in India

How?

Challenge-based State Proposals

Overview & Objective:

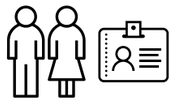
Integrated education hubs combining universities, research and skill centres, student and faculty housing, and strong industry linkages to align higher education capacity with employability outcomes and regional economic growth.



Union Budget 2026



India's position in global higher education is defined by a unique combination of scale, structural demand, and systemic gaps. The indicators highlight why India stands out as a priority market for long-term investment and international academic expansion.



Youth population

India has the largest youth population globally, far ahead of China, EU and US.

Tertiary students

India is at number 2, ranked behind China.



GER headroom

This is one of the strongest drivers for growth, riding on tailwinds of a strong economic upcycle and shifts in societal structure. GER India is currently estimated at ~30% compared to GERs of 60-80% for China / EU / North America.



Large share of outbound students

India has the highest share of internationally mobile students, accounting for a fourth of the top 5 education destinations globally.



Underpenetrated inbound market

India has a less than 1% share in serving internationally mobile students, and this segment represents another area of potential growth.

Land Requirements under Current Regulations

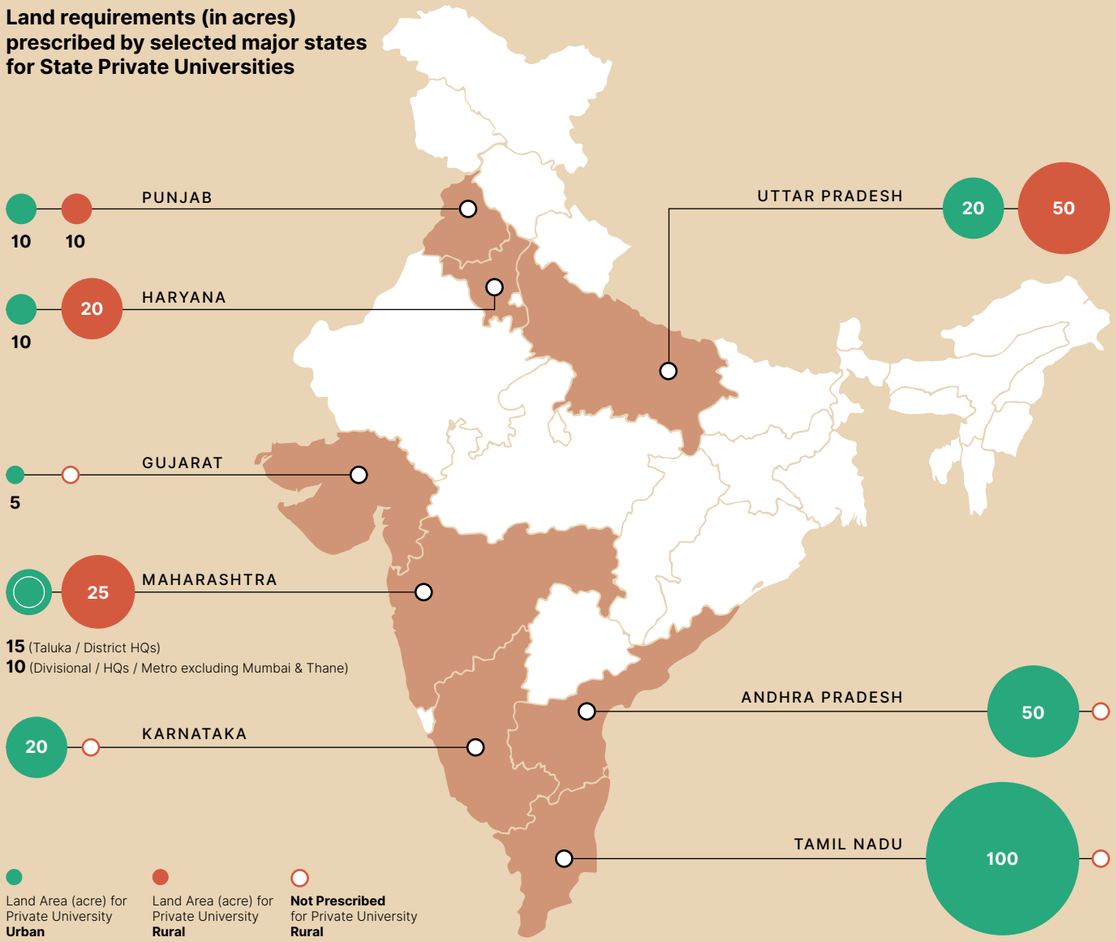
UNIVERSITIES

In India, education is a concurrent subject, with regulatory authority vested in both the Central and State Governments. As a result, land requirements for establishing universities vary depending on the type of institution and the applicable legislation.

Broadly, the **prevailing land norms for setting up universities** are as follows:

Central Public	: Minimum 500 acres
State Public	: As approved by the State Cabinet
State Private	: As prescribed under the respective State Acts (refer the infographic below)
Deemed-to-be	: 30 m^2 / student

Land requirements (in acres) prescribed by selected major states for State Private Universities



Source: Compiled by ANAROCK Capital Research

Note: Map not to scale; for reference only

Further, the All India Council for Technical Education **(AICTE)**, which governs technical education in India, **has its own distinct regulations applicable to standalone institutions:**

STANDALONE INSTITUTIONS



ENGINEERING & TECHNOLOGY

		Urban	Rural
UG		2.5	10
Diploma		1.5	5
PG		2.5	10



PHARMACY

		Urban	Rural
UG		0.75	2
Diploma		0.75	2
PG		0.75	2



ARCHITECTURE & TOWN PLANNING

		Urban	Rural
UG		1	2.5
Diploma		1	2.5
PG		1	2.5



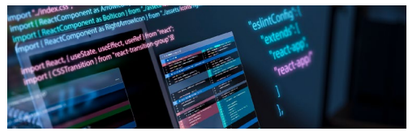
APPLIED ARTS

		Urban	Rural
UG		0.75	2
Diploma		0.75	2
PG		0.75	2



HOTEL MANAGEMENT & CATERING TECHNOLOGY

		Urban	Rural
UG		1	2.5
Diploma		1	2.5
PG		1	2.5



MASTER OF COMPUTER APPLICATIONS (MCA)

		Urban	Rural
PG		0.5	1.5



MANAGEMENT

		Urban	Rural
PG		0.5	1

Land Area (acre) for Standalone Institution **Urban**

Land Area (acre) for Standalone Institution **Rural**

In addition to land requirements, AICTE prescribes detailed norms relating to built-up area per student, as well as specifications for libraries, seminar halls, administrative offices, computer laboratories, and other academic and support facilities.

A UGC committee report examining land requirements for Higher Educational Institutions (HEIs) has made the following recommendations:

- The minimum land required for establishing a university should be 20 acres
- Universities should have a minimum student strength of 3,000
- As per the Deemed to be University Regulations, 2019, each student should be provided 30 m^2 of space
- Open areas should constitute 40% of the total land area
- Nearby HEIs, whether under a single or multiple managements, may share common facilities: playgrounds, gyms, & libraries
- The minimum developed land requirement for an Open University, except those established or incorporated by or under a Central Act, should be 5 acres
- The minimum land requirement for off-campus constituent units should also be 5 acres
- Special relaxations have been recommended for metropolitan cities & hilly regions, recognising land constraints:
    - The land requirement may be reduced to 10 acres, with a mandatory 3-acre open space
    - The land need not be contiguous; scattered expansion may be permitted
    - Vertical expansion may also be allowed, subject to applicable laws and local regulations

It is important to note that these are committee recommendations and have not yet been notified as statutory norms. Further, while UGC regulations are framed at the Central level, State Governments retain the authority to prescribe their own land norms for universities under India's federal structure.

Nonetheless, these may be considered indicative guidelines at this stage.

Forecasting Requirement of Land (2025E – 2035P)

Key Particulars	2023 Provisional Estimate	2035 Projected
No. of Enrolments	45 Mn	70 Mn
Incremental Students		25 Mn
No. of Students		
- Universities*		5 Mn
- Colleges		20 Mn
Space Required/Student		
- University		30 m^2
- College		5 m^2
Incremental Space Required		**2.7 Bn sf**
Incremental Land Required (assuming FSI of 2x)		**30,000 acres**
Expected Investment		**~USD 100 Bn**

* Note: Historically, 20% of Students are in Universities, on Average Basis

Source: Compiled by ANAROCK Capital Research

Internationally Mobile Students: A High-Value Growth Opportunity for India's Higher-Education Sector

Global pool stands at 7.3 Mn; India contributes 1.34 Mn students and is expanding rapidly

As per UN data, 7.3 Mn students worldwide are classified as internationally mobile. India accounts for 1.34 Mn (18%) of them, forming one of the largest and fastest-growing outbound student cohorts globally.

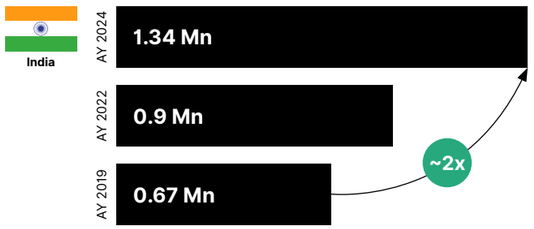
7.3 Mn
Internationally Mobile Students
(AY 2023)

18%
1.34 Mn
Indians as Proportion of Foreign Students
(AY 2024)

Outbound students from India nearly doubled between AY2019 & AY2024

The share of Indian students in global education markets has also strengthened.

This rising outbound mobility is largely driven by limited availability of high-quality education options domestically – reflected in India's low representation among the world's top universities.



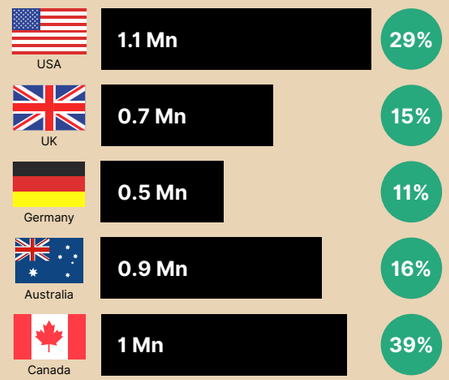
Destination Markets Are Concentrated: Top 5 Countries Host ~60% of International Students

Of the 7.3 Mn internationally mobile students, the top five destination markets – USA, UK, Germany, Australia & Canada – together host ~60%, or 4.2 Mn international students. Indian students account for 24% of this subset.

7.3 Mn
Internationally Mobile Students
(AY 2023)

4.2 Mn (~60%)
International Students in **Top 5** Destination Markets (AY 2024)

Foreign students in Top 5 destination markets (AY 2024)



% Indians
as Proportion of Foreign Students

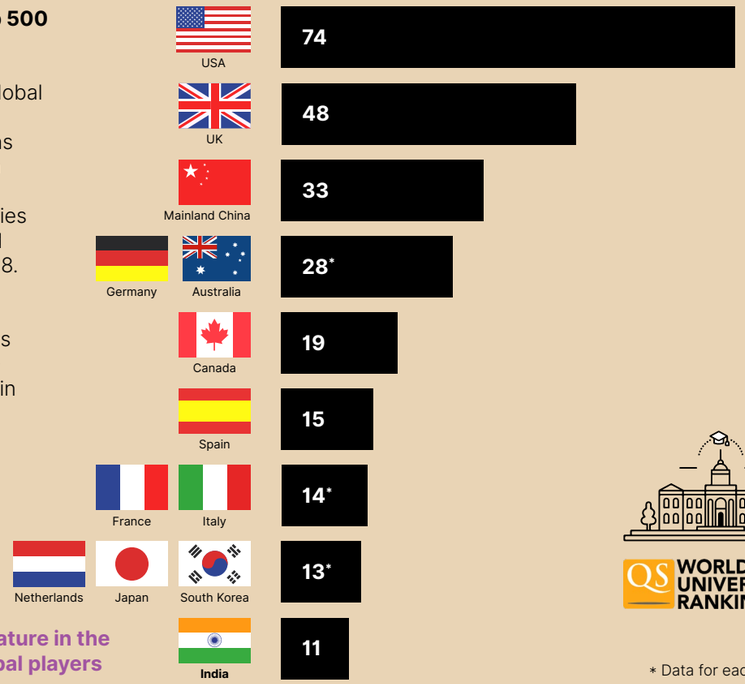
Indian students form 24% of the foreign-student population in these Top 5 markets

India's Limited Presence in Global Top 500 Universities

No. of Universities in the Top 500 (QS WUR / Global Rankings)

India's representation in the global top 500 universities remains modest, with just 11 institutions making the cut. This stands in stark contrast to the United States, which has 74 universities in the top 500, and the United Kingdom, which contributes 48.

Even countries with smaller populations than India, such as Australia (28) & Canada (19) – significantly outperform India in global rankings.



Only 11 Indian institutions feature in the top 500 – far behind key global players

* Data for each Country

The QS World University Rankings evaluate educational institutions on multiple indicators covering research, teaching, employability & internationalization.

Eligibility requires institutions to offer both undergraduate & postgraduate programmes across at least two of five broad faculty areas.

QS Weightage Structure

- **40%** Academic Reputation
- **20%** Student-to-Faculty Ratio
- **20%** Research Citations per Faculty
- **10%** Employer Reputation
- **5%** Proportion of International Faculty
- **5%** Proportion of International Students

Source: Compiled by ANAROCK Capital Research

Inbound Students: An Underpenetrated, High-Value Demand Pool

India attracts <1% of globally mobile students; upgraded infrastructure could unlock substantial inflows

Beyond outbound mobility, inbound students represent an additional growth vector for India's higher-education sector. Despite its scale, diversity, and competitive cost structure, India currently captures a very small share of the global pool of internationally mobile students. Strengthening institutional quality, campus infrastructure, and international student services offers a meaningful opportunity to position India as an attractive destination for overseas learners.

Inbound Student Trends: Stable Volumes but Minimal
(Global Share in AY2023)

India

7.3 Mn
Internationally Mobile Students

48,000+
Foreign Students enrolled in India

0.7%
Share of India in International Students

Large headroom for growth
Implication



Regulatory Reforms Open a Large Opportunity for International Institutions in India

FHEI Regulations (2023) enable top global universities to establish autonomous campuses in India.

A landmark policy shift in November 2023 created significant headroom for international participation in India's higher-education sector.



India

The University Grants Commission notified the University Grants Commission (Setting up and Operation of Campuses of Foreign Higher Educational Institutions in India) Regulations, 2023 – commonly referred to as the FHEI Regulations – paving the way for globally reputed universities to establish physical campuses in India.



The FHEI regulation effectively enables:

- Top global universities to establish independent campuses
- With the authority to grant their own degrees (but at par with those awarded in their home campus),
- While enjoying full academic, administrative, and financial autonomy
- Does not need to affiliate with an Indian university

Eligibility criteria for foreign universities

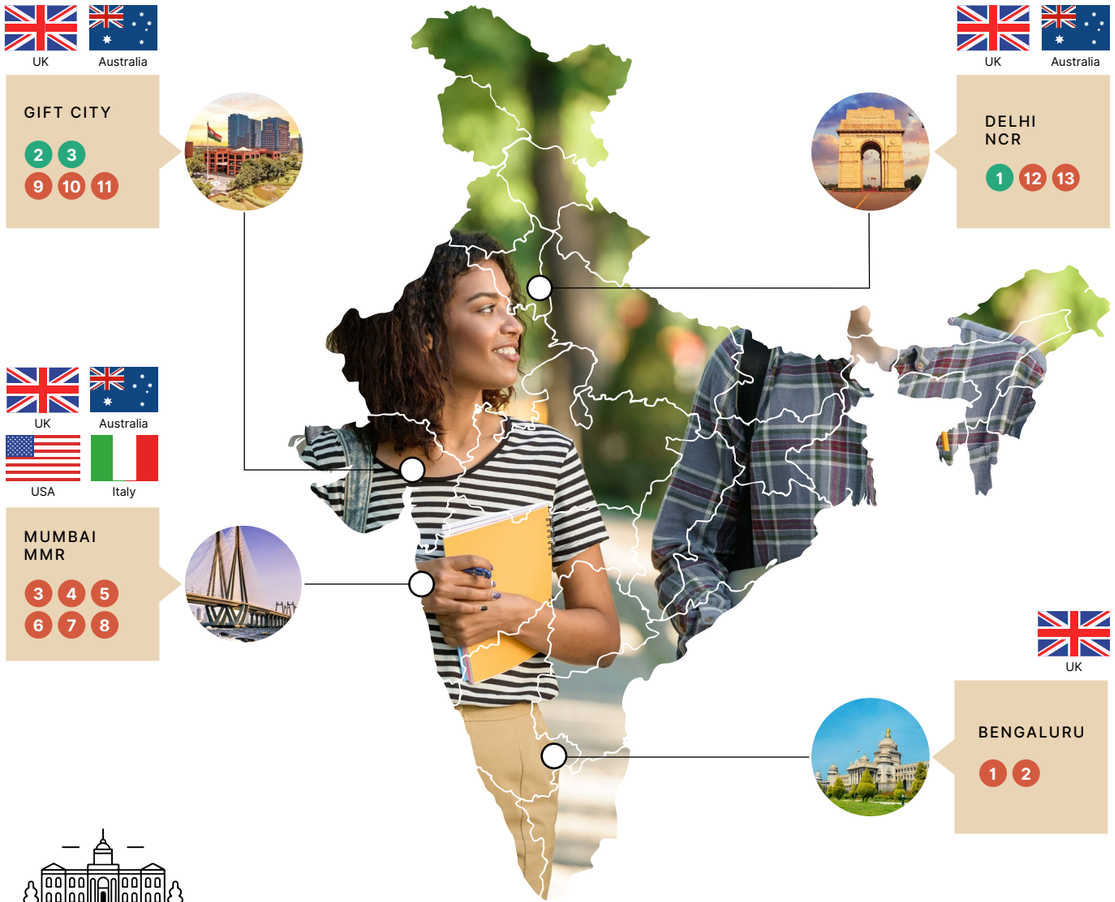
A foreign higher-education institution is eligible to establish a campus in India if it:

- Is ranked within the Top 500 globally, or is otherwise recognized as a globally reputed institution
- Is legally empowered to award degrees in its home jurisdiction
- Ensures equivalence in academic standards/awards qualifications holding the same status as in its home country
- Demonstrates financial capability to operate sustainably in India
- Establishes a physical campus (online-only delivery models are not permitted)

This framework positions India as an attractive expansion market for leading global universities.



Source: Compiled by ANAROCK Capital Research



Early Entrants & Institutions in the Pipeline

Since the notification of the FHEI Regulations, several foreign universities have signed agreements and some have already commenced operations. The pace of announcements underscores the strength of underlying demand and the attractiveness of a large domestic education market.

Multiple global universities have already entered; several more are preparing to launch

University Name	Country of Origin
3 Operational Campuses	
1 University of Southampton, UK	UK
2 University of Wollongong, Australia	Australia
3 Deakin University, Australia	
13 Upcoming Campuses	
1 University of Lancaster, UK	UK
2 University of Liverpool, UK	
3 Illinois Institute of Technology, USA	USA
4 Istituto Europeo di Design (IED), Italy	Italy
5 University of Aberdeen, UK	UK
6 University of Bristol, UK	
7 University of Western Australia, Australia	Australia
8 University of York, UK	UK
9 Queen's University Belfast, UK	
10 Coventry University, UK	
11 University of Surrey, UK	
12 Victoria University, Australia	Australia
13 Western Sydney University, Australia	

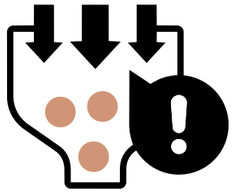
Source: Compiled by ANAROCK Capital Research

Note: Map not to scale; for reference only

Key Challenges That May Constrain Sectoral Growth

Regulatory Clarity & Faculty Availability Remain Critical Bottlenecks

Despite the strong policy momentum, India's higher-education sector faces structural challenges that may inhibit the scale-up required to compete with global institutions.



1. Monetisation Constraints Owing to Not-for-Profit Structures

Education in India is still treated as a public good, requiring institutions to operate on a not-for-profit basis.

Emerging models – where a not-for-profit trust runs academic operations while a for-profit entity owns assets and provides management services – have begun to create some flexibility, but the regulatory environment remains complex.

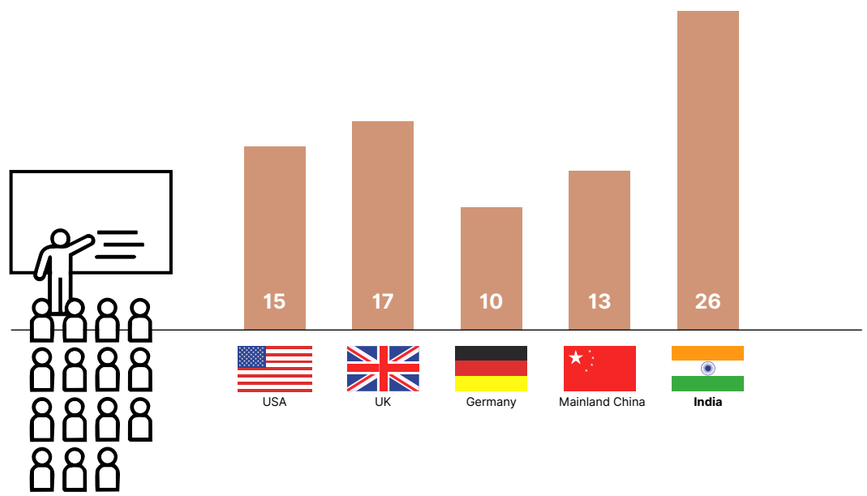
A clearer and more uniform framework for institutional setup and asset monetisation would materially improve investor confidence and capital inflows.

2. Shortage of Qualified Faculty

India faces a significant faculty deficit, both in volume and quality. While the **prescribed student–teacher ratio (STR) is 20:1 (vs. 15:1 OECD or Organisation for Economic Co-operation & Development average**), the actual STR in Indian institutions stand at 26:1, reflecting a structural shortage of teaching staff.

For India to compete effectively with foreign universities – particularly as international entrants scale up – the country will need to expand and professionalise its academic workforce at unprecedented pace.

Student–Teacher Ratio (India v/s Global Standards)



3. Fragmented Regulatory Architecture

India's higher-education governance spans multiple bodies – UGC, AICTE, NCTE, and numerous sectoral and state regulators.

This fragmentation creates:
- Overlapping approvals
- Duplicated compliance requirements
- Funding and clearance delays

These frictions impede faculty recruitment, new institution creation, capacity expansion, programme innovation and accreditation timelines.

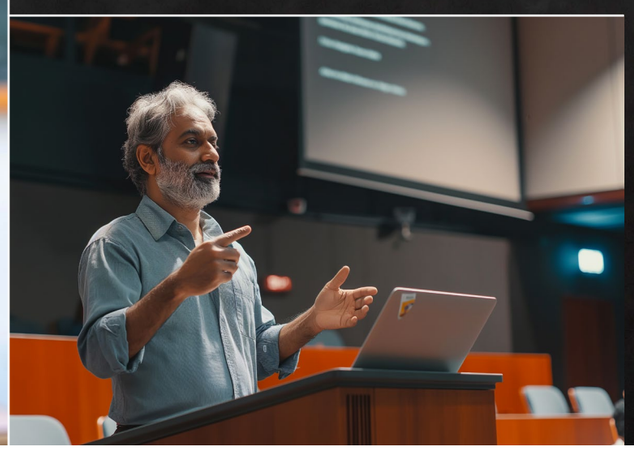


A Unified Regulatory Authority on the Anvil

To address the challenge of a fragmented regulatory architecture, the government has proposed the Viksit Bharat Shiksha Adhikshan (VBSA) Bill, 2025, aimed at establishing a single unified regulatory authority to replace or subsume UGC, AICTE and NCTE.

The objective is to:
- Eliminate duplication
- Create a single-window approval system
- Standardise quality benchmarks
- Enable rapid scale-up in institutional capacity
- Enhance global competitiveness

If implemented effectively, VBSA could significantly ease regulatory friction and create a more enabling environment for both domestic and international institutions.





Source: Compiled by ANAROCK Capital Research

About ANAROCK

ANAROCK is the leading independent real estate services company with a visible presence across India, Middle East, USA and Singapore.

The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales on behalf of its clients.

Over the last eight years, ANAROCK has expanded from being a residential-focused organization to complementary sectors including retail, commercial, hospitality, logistics & data centres, industrial and land. The firm also specialises in strategic advisory, investment banking, research & valuations and offers app based flexible workspaces and society management services. ANAROCK has developed proprietary technology that is adopted across all its businesses.

ANAROCK has a team of over 2,500 experienced real estate professionals who operate across all major markets in India and the Middle East.

For more information, please visit
www.anarock.com

India Office (Corporate)

ANAROCK Capital Advisors Pvt. Ltd.
1002, 10th Floor, B Wing, ONE BKC
Plot No. C-66, G Block Bandra Kurla Complex
Bandra (E), Mumbai 400 051

Singapore Office

ANAROCK Capital Advisors Pvt. Ltd.
C/O. 360 ONE Capital Pte. Ltd.
Asia Square Tower 2 , 20th Floor, Unit # 20-01
12 Marina View, Singapore 018961

Follow us on

© 2026 ANAROCK Capital Advisors Pvt. Ltd. All rights reserved.

All information in this report is provided solely for internal circulation and reference purposes. ANAROCK makes no statement, representation, warranty or guarantee as to the accuracy, reliability or timeliness of the information provided. No part of this report may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods.

Want to talk business?

Connect with our team of industry experts!



Shobhit Agarwal
CEO
ANAROCK Capital
shobhit.agarwal@anarock.com



Vishal Srivastava
Managing Director
Head - Corporate Finance
vishal.srivastava@anarock.com



Amit Pande
Managing Director
Head - Private Wealth
amit.pande@anarock.com



Vishal Singh
Managing Director
Head - Deal Advisory
singh.vishal@anarock.com



Mohammed Aslam
Managing Director
Capital Markets
mohammed.aslam@anarock.com



Varun Malik
Managing Director
Head - Capital Markets, APAC
varun.malik@anarock.com



Author

Aashiesh Agarwaal
Sr. Vice President - Investment Advisory
aashiesh.agarwaal@anarock.com

Research Support

Sahil Joshi
Sr. Analyst - Capital Markets
sahil.joshi@anarock.com

Designer

Dr. Paridhi Gupta
Director - Design
paridhi.gupta@anarock.com

ANAROCK
INVESTMENT BANKING