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India facing deficit of 2 billion sq ft of healthcare space to cater to current population need: Study

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	No of beds (per 1000 people)	No of doctors (per 1000 people)	Out of pocket expenditure (% of current health expenditure)
US	2.9	2.6	11.3
UK	2.5	5.8	17.1
China	4.3	2	35.2
Japan	13	2.5	12.9
India	1.3	0.9	54.8

Source: WHO, Niti Aayog, Knight Frank Research

In their latest report, global real estate consultancy Knight Frank and their US partners Berkadia, note that India is currently facing a deficit of 2 billion square feet of healthcare space to cater to its current population base of 1.42 billion people.

The estimated need for additional beds to reach the recommended ratio of 3 beds per 1000 people stands at 2.4 million beds. India has a considerable gap between the number of hospital beds available in the country and the number of hospital beds

required.

India’s existing bed to population ratio is 1.3/1000 population (both private and public hospitals included), and there is a deficit of 1.7/1000 population. To cater to the existing population, there is an additional requirement of 2.4 million beds.

This disparity provides an opportunity for public and private players, to expand their footprint in the healthcare industry in India. As per Indian government estimates, there are about 582 investment opportunities in medical infrastructure including hospitals valued at $32 billion.

The hospital industry accounts for 80% of the healthcare market in India. Currently, India has an estimated 70,000 hospitals of which the private sector constitutes 63% of the total share.

India’s healthcare market was estimated to be at $372 billion in 2022, a significant growth from $73 billion a decade ago, in 2012. At this level and pace, India’s health care industry has grown at an annual average rate of 18% and got accelerated with pandemic as it challenged the healthcare sector by stretching the need for infrastructure and service delivery, therefore making it a trigger for transformation.

Shishir Baijal, Chairman and Managing Director, Knight Frank India said, "According to our Attitudes Survey, almost one-fourth of the Indian ultra-high net worth individuals had cited to invest in healthcare related assets in 2023. There is also an emerging opportunity for investments in medical research and development, to accentuate discovery of new drugs to navigate any future break out of pandemic inflicted diseases.”