

Building the Missing Link: Safe and Affordable Housing for Working Women

Authored by:

Gayatri Misra, Senior Program Associate, The Udaiti Foundation



India's growing economy depends on women's participation, yet for many, the barrier to work begins not at the workplace. For many first-generation migrants, housing is not just a logistical need but the foundation of safety, dignity, and continuity in work. Yet options that are secure, affordable, and located near workplaces remain scarce, often priced beyond the reach of entry-level salaries or restricted by gender and social norms. The lack of such accommodation narrows women's mobility, limits their access to better opportunities, and ultimately constrains economic growth itself. Despite being home to over 400 million working-age women, only four in ten participate in the labour force today. Rural India has inched forward, but urban women's participation remains low at 28%, up only gradually from 20.4% in 2017–18 (PLFS 2023–24). The gap points to a stubborn, structural bottleneck: without access to safe, affordable housing, many women cannot migrate, accept jobs, or remain in the labour force.

This reality framed a recent roundtable co-hosted in New Delhi by The Udaiti Foundation and Good Business Lab, which brought together employers, operators, government representatives, and ecosystem experts to ask a practical question: what would it take to build a housing ecosystem that actually works for working women? The conversation was clear-eyed about costs, governance, and on-the-ground constraints, and was equally focused on the levers that can unlock scale.

Housing as economic infrastructure

For women in manufacturing and services, housing is not a welfare add-on. It is economic infrastructure that determines whether women can move, take up jobs, and stay in them. Employers around the table reinforced this with experience: where decent hostels exist, attrition and absenteeism fall, often by 20–25%, and productivity and workforce stability improve. It's a flywheel: safer, closer accommodation reduces commute fatigue and safety risks, which improves attendance and morale, which in turn strengthens retention and output. "Without safe housing, women don't migrate; without migration, industries don't grow," as one participant put it.



The affordability math and why it breaks

All participants at the roundtable agreed the affordability gap is real. Entry-level women workers in manufacturing and service sectors typically earn modest monthly wages, and housing is often one of their largest expenses. Assuming that 20–30% of their income can reasonably go toward rent, most women can afford to spend only ₹2,000–₹3,000 a month on accommodation. Yet, in reality, even the most basic hostels or paying guest facilities in industrial and urban areas cost ₹3,500–₹5,000, creating a significant affordability gap that pushes many into unsafe or informal housing options. Land and rent together account for approximately 40–50% of total project costs. One-time charges such as stamp duty, combined with the 18% GST on rentals and construction services, further escalate the financial burden on developers and operators, raising the overall cost of delivering affordable accommodation for women workers. On top of that sits recurring O&M — food, cleaning, grievance redress, 24x7 security, and transport— which cannot be compromised if we want safety and dignity to be non-negotiables. Some employers bridge the gap directly: for instance, Shahi Exports, one of the largest employers in the garment industry, subsidises migrant housing (around ₹750 per worker) to improve retention, while others invest in higher-quality dorms bundled with transport and meals for shop-floor diploma engineers. But employer-only models cannot shoulder the entire burden across the economy; public support must target the structural cost line items that private players cannot shift on their own.

What would help? Three ideas resonated. First, tax levers: Hostel operators currently pay 18% GST on monthly rent, which adds substantially to recurring costs. Introducing a GST exemption or concessional rate for women's hostels, similar to incentives for affordable housing, could ease operational expenses and improve affordability for low-income women workers. Second, land strategy: repurposing under-used government or PSU buildings and earmarking plots for women's hostels in industrial and city master plans would tackle the largest cost driver head-on. Third, blended models: combining concessional public CAPEX with self-sustaining O&M gives operators room to price for affordability while maintaining minimum standards.

A working model in sight

Tamil Nadu's Working Women's Hostels Corporation ("Thozhi Hostels") stands out as a scalable, state-led model for women's housing. Structured as a public corporation, it combines government capital with professional, quasi-private operations, allowing for efficiency and accountability. With occupancy levels consistently above 95%, Thozhi has demonstrated both demand and sustainability. Its partnership with TVS in Tambaram illustrates how employer linkages can enable interstate migration for women workers, while a cross-subsidisation model channels revenue from high-demand sites to sustain hostels in semi-urban areas. Each facility integrates gender-responsive design, furnished rooms, crèches, kitchens, laundry, and shared community spaces, creating safe and functional environments for working women. This institutional approach offers a replicable blueprint for states aiming to expand women's workforce participation in industrial and peri-urban regions.



One market, many segments

Demand is not monolithic. In manufacturing clusters, employer-linked dormitories reduce absenteeism and make daily life simpler (walk-to-work or short shuttle rides, fixed meal times, predictable shifts). In service-sector cities, women often work far from industrial estates; they need smaller, decentralized housing linked to public transport and employment centres. And needs evolve across the life course: young entrants prioritize affordability and peer networks; mid-career workers seek privacy, stability, and sometimes childcare integration. Designing “one-size-fits-all” housing ignores these realities; mixed typologies (dorms, shared flats, mother-and-child units) are the only way to match real demand.

Minimum standards and digital trust

Today’s housing landscape ranges from compliant hostels on one hand, facilities that meet government norms and safety standards, while on the other end of the spectrum are informal setups like unregulated PGs that operate without oversight, often lacking safety, sanitation or legal compliance. Roundtable participants discussed having a Minimum Standards Charter, covering secure entry/exit, CCTV, lighting, hygiene, food services, grievance systems, and digital connectivity, paired with transparent, digital listings and user feedback (much like ratings in other service markets). The combination of enforceable floor standards and market-visible reputations can raise quality and rebuild trust with workers and their families, especially vital when parents influence decisions about migrating daughters.



The evidence gap we must close

Despite strong practitioner experience, India lacks rigorous, causal research linking housing to women's labour market outcomes. Priority research areas identified at the roundtable include:

- (1) the impact of housing on retention, absenteeism, and productivity;
- (2) willingness and ability to pay at different wage bands; and
- (3) how safety and agency shape mobility decisions. Well-designed studies would give governments and investors the confidence to mainstream women's hostels into industrial policy, urban planning, and credit flows.



What Udaiti is doing now

At The Udaiti Foundation, safe and affordable accommodation is a core lever in advancing women's economic empowerment. We are working to bridge the affordability gap that keeps low-income women, especially those in the service and informal sectors, from accessing secure housing in cities. Our focus is on enabling women's migration and sustained participation in urban labour markets by developing viable housing models that align with their income realities. With nearly 27 million women expected to enter India's urban workforce by 2030, Udaiti is engaging with governments, employers, and operators to reimagine worker housing through policy reform, financial innovation, and public-private partnerships; so that safe accommodation becomes an enabler, not a barrier, to women's work and mobility.

The way forward

If India is serious about lifting women's workforce participation by 2047, we must treat housing as strategic economic infrastructure. That means:

- **Embed housing into policy:** Earmark land for women's hostels in industrial estates and urban master plans; repurpose public buildings where viable.
- **Use fiscal levers smartly:** Consider GST relief, electricity charges relaxation, and other fiscal incentives for compliant women's hostels to close the viability gap.
- **Scale partnership models:** Encourage PPPs that blend public CAPEX with professional O&M; invite employers to co-design for shift timings, transport, and safety.
- **Set and enforce standards:** Adopt a Minimum Standards Charter with digital transparency and user feedback to drive quality and accountability.
- **Fund the evidence:** Commission rigorous studies that quantify retention, productivity, and mobility gains, and test affordability thresholds across sectors and cities.

The task now is to move from pilots to platforms: one framework, one partnership, and one safe home at a time, until the question "Where will I stay?" no longer stands between a woman and the work she chooses.

