

URBAN ECONOMICS: ECONOMICS OF CITIES (ECON 4242)
Department of Economics, University of Colorado
Fall 2013

Class time: M, W, F: 10:00 - 10:50 am Room: ECON 117
Professor: Charles de Bartolome Office: ECON 203
Office hours: M 4:00 - 5:00 pm; Tu 9:00-10:00 am; e-mail: debartol@colorado.edu
Fri 2:15 - 3:15 pm.

Textbook Arthur O'Sullivan: Urban Economics (8th Edition). McGraw-Hill Irwin.

Clickers Each student must buy a clicker. If you do not already own one, a clicker may be purchased at the University of Colorado bookstore. Clickers will be used in class problems which will be scored.

Clickers should be registered at myCUinfo.colorado.edu

Course description:

The U.S. is an urban country with 80% of the population living in urban areas. This course considers the economic forces which drive households and jobs to congregate in metropolitan areas and thereby create cities. It then considers the forces within the city which determine how the established cities "look" - how rents vary with location, the distribution of jobs and households within a city, urban sprawl, and the sorting of households between neighborhoods. Finally it considers some government policies relating to land use and housing

Pre-requisites:

Intermediate Microeconomics, ECON 3070;
Introduction to Statistics with Computer Applications, ECON 3818.

Course Assignments and Desire2Learn

All course assignments, problem sets and some lecture notes are posted on the Desire2Learn at: <http://learn.colorado.edu>

Please note that pages of each Adobe Acrobat file can be printed on a single sheet by clicking as: Print>Properties>Multiple pages

Attendance at class

Woody Allen once remarked "90% of life is just turning up". The best way to learn the material is to attend class. Reading the lecture notes posted on the web is not a good substitute for attendance. Attendance at class is expected and required.

Administrative Drop:

Because attendance is important and expected, I will drop from the class any student who neither attends one of the first three classes of the term nor obtains special permission from me for his/her absence.

Problem Sets

Problem sets with answers will be posted for each topic. The problem sets are an integral part of the course. They are designed to help you use the material and a significant part of the exams will closely follow their format.

In addition, there are many questions at the end of each chapter in the book. I encourage you to work through the questions which relate to the material covered in class (I will post a list of these questions on Desire2Learn).

Grading

There will be two midterms, a final exam, in-class clicker questions and paper summaries. Your grade will be determined as:

25% First Midterm

30% Second Midterm (30% of the material is to be covered in class. Reading is to attend

Exams:

The two midterms will be given in the evenings:
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3. METROPOLITAN POLICY: POPULATION AND JOBS

18, 20 Sept	CITY SIZE Rank-Population Rule Central Place Theory Optimal City Size Equilibrium City Size	4
23 Sept	Review FIRST MIDTERM (7-9pm in EDUC 220)	
25,27,30 Sept	URBAN GROWTH	
2 Oct	Role of human capital Urban growth Employment multiplier	(omit Appendix)
*4 Oct	Helms, L.J., (1985), "The effect of state and local tax on economic growth: a time-series cross-section approach." <i>Review of Economics and Statistics</i> 67, 574-582. Problem Set City size Problem Set Metropolitan Development Policy	

4. SPATIAL STRUCTURE OF CITIES

7, 9, 11, 14 16, 18 Oct	SPATIAL MAKE-UP OF A CITY Capitalization "Left-over principle" Bid-rent for agriculture Bid-rent for manufacturing firms Bid-rent for offices - substitution into higher buildings Bid rent for households - substitution into apartments Bid-rent curves and land-use patterns Problem Set Office Travel Costs Problem Set Office Bid-Rent Problem Set Residential Bid-Rent Problem Set: Using Bid-Rent Curves	6
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6. HOUSNG

11,13,15 18 Nov	WHY IS HOUSNG DIFFERENT Durability - deterioration and maintenance Filtering model	14
20, 22 Nov	HOUSING POLICY Supplyside - public housing - subsidies for private housing (Sections 236 and 8) - low-income housing tax credit Demand side - housing vouchers Community development Mortgage deduction Problem Set: Evaluating a housing program.	15
*2 Dec	Honig, M., and R.K. Fler, (1993), "Causes of intercity variation in homelessness," American Economic Review <u>83</u> , 248-255.	

7. MASS TRANST

4, 6, 9 Dec	Ridership sensitivity System choice Subsidies	11
*11 Dec	Bollinger, C.R., and K.R. Hanfeldt, (1997), "The impact of rapid rail transit on economic development: the case of Atlanta's MARTA," Journal of Urban Economics <u>42</u> , 179-204. Problem Set Ridership Sensitivity	
13 Dec	Review	
16 Dec	FINAL	