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

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

- Textbook Arthur O'Sullivan: Urban Economic \$8th Edition). McGraw-Hill Irwin.
- Clickers Each student must buayi> clicker. If you do not alreadown one, an clicker may be purchased at the University/Colorado bookstore. Clickers will be used integ class problems which will be scored.

Clickers should be restered atmyCUinfo.colorado.edu

Course description:

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

Pre-requisites:

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

Course Assignments and Desire2Learn

All course assigments, problem sets and some lecture notes are posted on the Desire2L

Attendance at class

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

Administrative Drop:

Because attendance is important and period, will drop from the class any student who neither attends one the first three classes of the terestange ecial 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 desiged to help ou use the material and a significant part of the exams will closely follow their format.

In addition, there are manyuestions at the end of each chapter in the desk. I encourage you to work through the questions which rlate to the material covered in class (lwill post a list of these questions on Desireatin).

Grading

There will be two midterms, a final **an**, in-class clicker questions and paper summaries. Yourrade will be determined as:

- 25% First Midterm
- 30% Secon Station 100 Secon St

Exams:

The two midterms will beigen in the evenings: Fl

3. METROPOLITAN POLICY: POPULATION AND JOBS

- 18, 20 Sept CITY SIZE Rank-Population Rule Central Place Theory Optimal CitySize Equilibrium CitySize
- 23 Sept Review FIRST MIDTERM (7-9pm in EDUC 220)
- 25,27,30 SeptJRBAN GROWTH
- 2 Oct Role of human capital Urban gowth Employment multiplier
- *4 Oct Helms, LJ., (1985), "The effect of state and local daxon economicrgwth: a time-series cross-section approa Review of Economics and Statistics 67, 574-582.

Problem SetCity size Problem SetMetropolitan Development Policy

4. SPATAL STRUCTURE OFCITIES

7, 9, 11, 14 SPATIAL MAKE-UP OF A CITY

16, 18 Oct Capitalization

"Left-over principle"

Bid-rent for agiculture

Bid-rent for manufacturingirms

Bid-rent for offices

substitution into higer buildings

Bid rent for households

- substitution into apartments Bid-rent curves and land-use patterns

Problem SetOffice Travel Costs Problem SetOffice Bid-Rent Problem SetResidential Bd-Rent Problem Set:UsingBid-Rent Curves

(omit Append)x

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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 housir(§ections 236 and 8) - low-income housingax credit Demand side - housingvouchers Communitydevelopment Mortgage deduction	15
	Problem Set: Evaluatinga housingprogram.	
*2 Dec	Honig, M., and R.K. F er, (1993), "Causes of intercityariation i homelessness, American Economic Revie <u>86</u> , 248-255.	'n
	7. MASS TRANST	
4, 6, 9 Dec	Ridership sensitivity System choice Subsidies	11
*11 Dec	Bollinger, C.R., and K.R.hlanfeldt, (1997), "The impact of rapid rail transit on economic development: the case of Atlanta's MARTA," Journal of Urban Economic \$2, 179-204.	

Problem Set Ridership Sensitivity

- 13 Dec Review
- 16 Dec FINAL