

URBAN ECONOMICS: ECONOMICS OF CITIES (ECON 4242)  
Department of Economics, University of Colorado  
Fall 2012

Class time:	M, W, F: 1:00 - 1:50 PM	Room	MUEN E432
Professor:	Charles de Bartolome	Office:	ECON 203
Office hours:	M 2:15-3:15 pm; Tu 9:45-10:45am; Fri 9:15 - 10:15 am	e-mail:	debartol@colorado.edu

Textbook Arthur O' Sullivan: Urban Economics (8<sup>th</sup> 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 to give class problems which will be scored.

Clickers should be registered at: [myCUinfo.colorado.edu](http://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>.

In the past, some students have had difficulty in downloading some of the posted pdf files. ITS advises that this is due to the large file sizes. ITS recommends that you open the Adobe Acrobat Reader. Then click as: Edit > Preferences > Internet and uncheck "Allow Fast Web View".

Please note that six pages of each Adobe Acrobat file can be printed on a single sheet by clicking as: Print > Properties > Multipage > 6



## Exams:

The two midterms will be given in the evening as:

FIRST MIDTERM: Monday 24 Sep 7:00 p.m - 9:00 p.m  
in EDUC 220

SECOND MIDTERM: Monday 5 Nov 7:00 p.m - 9:00 p.m  
in EDUC 220

The final exam will be held as:

FINAL: Saturday 15 Dec 7:30 p.m - 10:00 p.m  
in MUEN E432

You must bring two blue-books to each exam.

Because this is a 4000-level class, the exams will not just repeat material covered in class. Some questions will closely follow the material covered in class and in the problem sets, but some will ask you to apply the material in a different environment.

## Failure to be present at an exam:

If you are unable to take an exam because of illness and have a medical note from your doctor to confirm this, you may take a make-up. If you have some other compelling reason why you cannot take the exam, you may ask me for permission to take the make-up. Otherwise, if you fail to be present for an exam, you will score 0 in that exam.

## Classroom courtesy:

Please turn your cell phone off prior to the start of class.

I believe that learning is enhanced if there is full concentration by both the instructor and the student. Therefore, usage of laptop computers in class is restricted to following the course notes and laptops may only be used in the front two rows of the classroom.

## Students with Special Needs:

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671; Center for Community Building, Room N200; or by email at: [dsinfo@colorado.edu](mailto:dsinfo@colorado.edu)



rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at

<http://www.colorado.edu/policies/classbehavior.html> and at

[http://www.colorado.edu/studentaffairs/judicialaffairs/codehtml#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/codehtml#student_code)

#### Academic Integrity:

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ( [honor@colorado.edu](mailto:honor@colorado.edu); 303-735-2273) Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at:

<http://www.colorado.edu/policies/honor.html> and at

<http://www.colorado.edu/academics/honorcode/>

## COURSE OUTLINE

<u>Date</u>	<u>Topic</u>	<u>Chapter</u>
	1. INTRODUCTION	
27, 29 Aug	INTRODUCTION Fundamental Questions of Urban Economics The need for a model Descriptions of urban areas “Five Axioms of Urban Economics” Discussion of regression analysis - the hedonic regression of house prices	1
*31 Aug	Kain, J., and J Quigley, (1970) “Measuring the value of housing quality,” Journal of Americ —	

19, 21 Spt CITY SIZE  
Rank-Population Rule  
Optimal City Size  
Equilibrium City Size

4

24 Spt REVIEW  
FIRST @R

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22, 24 Oct	LAND USE PATTERNS	7
	- monocentric city	(omit pp. 189-191)
	- "Edge Cities"	
	- policy: land-use zoning	9
	- urban sprawl	(omit pp. 233-235)
	- limiting growth - urban growth boundary	
	- limiting building permits	
	- development fees	
*26 Oct	Kahn, M., (2000) "The environmental impact of suburbanization," Journal of Policy Analysis and Management <u>19</u> , 569-586	

## 5. NEIGHBORHOODS/COMMUNITY 5. N



- demand side - housing vouchers
- community development
- mortgage deduction

\*3 Dec Horig, M., and R.K. Filer, (1993) "Causes of intercity variation in homelessness," American Economic Review 83, 248255.

## 7. MASS TRANSIT

5, 7, 10 Dec	Ridership sensitivity System choice Subsidies	11
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\*12 Dec Bollinger, C.R., and K.R. Ihlanfeldt, (1997) "The impact of rapid rail transit on economic development: the case of Atlanta's MARTA," Journal of Urban Economics 42, 179204.

Problem Set : Ridership Sensitivity

14 Dec REVIEW

15 Dec FINAL EXAM (7:30 - 1000 p.m in MUEN E432)