

URBAN ECONOMICS: ECONOMICS OF CITIES (ECON 4242)
Department of Economics, University of Colorado
Spring 2019

Class time:	M, W, F: 12:00 - 12:50 pm	Room:	ECON 119
Professor:	Charles de Bartolome	Office:	ECON 203
Office hours:	Mon 1:50 - 2:50 pm; Tu 10:15-11:15 am; Fri 1:50 - 2:50 pm.	e-mail:	debartol@colorado.edu

Textbook $\text{P}^{\text{A}}\text{r}^{\text{U}}\text{)}\text{ñ}q$ *Textbook* $\text{P}^{\text{O}}\hat{\text{O}}\hat{\text{A}}\text{p}$

Exams:

The two midterms will be given in the evening as:

FIRST MIDTERM: Monday 11 Feb 7:00 p.m. - 8:40 p.m.
in TBA

SECOND MIDTERM: Monday 18 Mar 7:00 p.m. - 9:00 p.m.
in TBA

The final exam will be held as:

FINAL: Sunday 5 May 7:30 p.m. - 10:00 p.m.
in ECON 119

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 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: You must get a medical note from a doctor to confirm your inability to take the exam *and* advise me of your inability ~~by email to Prof. S. N. - EAfö EE÷rF†RÖFW&-Â6÷fW&VB-â6E72æB-âF†R&ö&~~

Accommodation for Disabilities:

If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to me in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the Disability Services website (www.colorado.edu/disabilityservices/students). Contact Disability Services at 303-492-8671 or dsinfo@colorado.edu for further assistance. If you have a temporary medical condition or injury, see Temporary Medical Conditions under the Students tab on the Disability Services website and discuss y

on race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. Individuals who believe they have been subject to misconduct under either policy should contact the Office of Institutional Equity and Compliance (OIEC) at 303-492-2127. Information about the OIEC, the above referenced policies, and the campus resources available to assist individuals regarding sexual misconduct, discrimination, harassment or related retaliation can be found at the OIEC website.

COURSE OUTLINE

<u>Approximate Date</u>	<u>Topic</u>	<u>Chapter</u>
1. INTRODUCTION		
14, 16 Jan	INTRODUCTION Fundamental Questions of Urban Economics The need for a model Descriptions of urban areas Discussion of regression analysis - the hedonic regression of house prices	1, 2
*18 Jan	Kain, J., and J. Quigley, (1970), "Measuring the value of housing quality," <i>Journal of American Statistical Association</i> <u>65</u> , 532-548.	
2. FORMATION OF CITIES		
23, 25, 28, 30Jan 1, 4 Feb	EXISTENCE OF CITIES Concentration of production: importance of IRS in production - trade cities - factory cities - resource cities <i>Problem Set: Base Case</i> <i>Problem Set: Trade Cities: Normative</i> <i>Problem Set: Trade Cities: Positive</i> <i>Problem Set: Factory Cities 1</i> <i>Problem Set: Factory Cities 2</i>	3

Problem Set: Knowledge Spillovers

11 Feb

**Review
FIRST MIDTERM (7:00 - 8:40 pm in)**

13,15 Feb

CLUSTERING OF FIRMS CONT

4 (pp. 54 - 60)

*6 Mar Helms, L.J., (1985), "The effect of state and local taxes on economic growth: a time-series cross-section approach," *Review of Economics and Statistics* 67, 574-582.

4. LAND PRICES AND LAND USE PATTERN

8, 11, 13, 15 Mar BID-RENT CURVES 10
Capitalization 11 (pp. 155-160, 169)
"Left-over principle"
- bid-rent for agriculture
- bid-rent for manufacturing firms
- bid-rent for offices

Problem Set: Factory Bid-Rent
Problem Set: Office Travel Costs

18 Mar **Review**
SECOND MIDTERM (7:00 - 9:00 pm in)

20,22 Mar BID-RENT CURVES CONT 12 (pp. 175-177)
1,3,5,8 Apr - bid-rent for offices (cont)
- bid rent for households
- bid-rent curves and land-use patterns

Problem Set: Office Bid-Rent With No Production Substitution
Problem Set: Residential Bid-Rent With No Consumption Substitution
Problem Set: Using Bid-Rent Curves

5. LAND PRICES AND LAND USE (CONT)

10, 12, 15, 17 Apr BUILDING-UP AND SQUEEZING:
SKYSCRAPER OFFICES, HIGH-RISE APARTMENTS,
TOWNHOUSES AND APARTMENT COMPLEXES
Substitution in construction of office 11 (pp. 160 - 166)
Substitution in the consumption of housing 12 (pp. 175 - 177)

Problem Set: Skyscraper Offices: Graphical

Problem Set: Skyscraper Offices: Algebra
Problem Set: Apts. and Townhouses: Graphical
Problem Set: Apts. and Townhouses: Algebra

19 Apr MONOCENTRIC CITY 14
Monocentric city
“Edge Cities”

LAND-USE POLICY 13
Policy: land-use zoning
Open Space
Urban sprawl

Problem Set: Zoning Land as “For Agricultural Use Only.”

*22 Apr Kahn, M., (2000), “The environmental impact of suburbanization,”
Journal of Policy Analysis and Management 19, 569-586

6. MAKE-UP OF COMMUNITIES/NEIGHBORHOODS

24,26 Apr SORTING 15 (pp. 224-232)
Income sorting
Public good/public service sorting

Problem Set : Income Sorting
Problem Set: Public Service Sorting

*29 Apr Honig, M., and R.K. Filer, (1993), “Causes of intercity
variation in homelessness,” *American Economic*
Review 83, 248-255