New York University  
Robert F. Wagner Graduate School of Public Service  
P11.2608: Urban Economics  
Spring 2010  

Tuesday, Silver 711

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Office Hours: Mondays 3:00-5:00 or by appointment

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Course Description  
The field of urban economics addresses a wide variety of questions and topics. At the most general level, the field introduces space into economic models and studies the location of economic activity. Urban economics typically addresses four sets of questions, and this course is organized around these four areas. The first set of questions focuses on the development of urban areas. Why do cities exist and why do some grow more rapidly? How can local governments encourage such growth? The second set of questions addresses patterns of development within metropolitan areas. Why do certain parts of metropolitan areas grow more rapidly than others? How do firms and households decide where to locate within given metropolitan areas? What determines the price of land, and how do these prices vary across space? The third set of questions concerns the spatial dimensions of urban problems. In this class, we will focus on poverty, housing, and inner-city economic development. Finally, in the last part of the class, we will briefly study the spatial aspects of local government policy and explore the inter-relationships between city and suburban governments.

Course Prerequisites  
Students should have completed P11.1018 (Microeconomics) and should have taken or be taking P11.1101 (Statistical Methods) concurrently. Several assignments will ask you to use excel, so please brush up on your excel skills if needed.
Course Requirements

Students are expected to do the reading each week before class. In addition, there will be three take-home assignments, a mid-term exam, and a final exam. The assignments will combine problems, data analysis (using a spreadsheet program such as excel), and brief essays on urban issues. I encourage you to work together on these three assignments, but you must submit individual write-ups. The take-home assignments will be graded on a pass-fail basis.

Grading

All requirements must be completed by the dates specified or they will not be counted towards final grade. No late assignments will be accepted. Borderline grades may be adjusted on the basis of class participation.

1. First assignment (5% of final course grade)
   Due in class 4, Tuesday, February 9th
2. Second assignment (5% of final course grade)
   Due in class 7, Tuesday, March 2
3. Third assignment (5% of final course grade)
   Due in class 9, Tuesday March 23rd
4. Midterm exam (40% of final course grade)
   Class 10, Tuesday, March 30th
5. Final take-home exam (45% of final course grade)
   Due 12:00pm, Friday, May 7th

Readings

All readings are required, unless noted as supplementary. The readings include chapters from two textbooks:


Students do NOT need to purchase either book in its entirety. The assigned chapters from each textbook are available for sale at the NYU Professional bookstore on LaGuardia Place. The O’Sullivan chapters are in a customized text. The O’Flaherty chapters are included in the course reader for the class. You may want to call ahead to make sure that they have a packet ready for you (212-998-4860).

Other required articles are posted on the course blackboard site, which you can find at [http://classes.nyu.edu/](http://classes.nyu.edu/). Most of the supplemental readings should be posted on blackboard as well. These supplemental articles are there for your interest and are optional.
Class Schedule

Part I: Market Forces in the Development of Cities

1. Introduction: What is a City and Why Do They Exist? (January 22)

   O’Sullivan, Chapter 1.
   O’Flaherty, Chapters 1 and 2.

   Supplementary

2. What Drives Urban Economic Growth? (January 29)


   Supplementary
3. Why do we Care about Economic Growth? (February 5)

O’Flaherty, Chapter 18, pp. 517-531.

**Supplementary**

4. Urban Economic Growth and State and Local Policy (February 12)

O’Flaherty, Chapter 18, pp. 531-551.

**Supplementary**

Part II: Land Rent and Land-Use Patterns with Metropolitan Areas

5. Introduction to Land Rent and Land Use (February 19)

O’Sullivan, Chap 6 and selections from Chap 7, Appendix, pp. 153-160.

Supplementary

6. Land Use Patterns and Causes of Suburbanization (February 26)

O’Sullivan, Chapter 7.

Supplementary
O’Flaherty, chapters 3 and 6.

7. Overview of Local Government (March 4)

O’Sullivan, Chapter 15.

8. The Economics of Zoning (March 11)

O’Sullivan, Chapter 9.
Supplementary
O’Flaherty, Chapter 8.

9. Economics of Housing Markets (March 25)

O’Flaherty, Chapter 13.

Supplementary

10. IN-CLASS MIDTERM – Tuesday, April 1st

Part III: Economics of Urban Problems

11. Suburbanization and Sprawl: An Assessment (April 8)


Supplementary:
12. Race and Housing (April 15)

O’Flaherty, Chapter 12.


http://www.census.gov/hhes/www/housing/housing_patterns/pdftoc.html


Supplementary


13. Urban Poverty: The Role of Space (April 22)


**Supplementary**


**14. Looking to the Future (April 29)**


**Supplementary**

