New York University  
Robert F. Wagner Graduate School of Public Service

P11.2608: Urban Economics  
Fall 2010

Tuesday 6:45 – 8:25 PM  
Silver Building, Room 710

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Office Hours: Tuesdays 8:30 - 9:30pm, or by appointment

Tutor: Jackie Begley, jbegley@nyu.edu  
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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.

(1) The first set of questions focuses on the development of urban areas. Why do cities exist, why do they grow, and why do some grow more rapidly? How can local governments encourage such growth?

(2) 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?

(3) The third set of questions concerns the spatial aspects of local government policy and explores the inter-relationships between city and suburban governments.

(4) Finally, we will study the spatial dimensions of urban problems. In this class, we will focus on housing, race, poverty, and inner-city economic development.

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

Students are expected to complete all required readings before class each week. All students must complete three take-home assignments, an in-class midterm exam, and a take-home final exam. The assignments will combine problems, data analysis using Excel, and brief essays on urban issues. I encourage you to work together on the assignments, but you must submit individual write-ups. The take-home assignments will be graded on a pass-fail basis. Class participation is strongly encouraged.

Grading

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

1. First assignment (5% of final course grade)
   Due in class 4, Tuesday, September 28
2. Second assignment (5% of final course grade)
   Due in class 7, Tuesday, October 19
3. Third assignment (5% of final course grade)
   Due in class 9, Tuesday, November 2
4. In-Class Midterm Exam (40% of final course grade)
   Class 10, Tuesday, November 9
5. Final Take-Home Exam (45% of final course grade)
   Due: Tuesday, December 14

Readings

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


Students do not need to purchase either book in its entirety. Assigned chapters from O’Sullivan are available as a customized text in either e-book or print format. Assigned chapters from O’Flaherty have been compiled as a course pack. Both are available in print format at the NYU Professional Bookstore at 726 Broadway. Instructions for purchasing the O’Sullivan e-book are posted on the course Blackboard site which you can find at [http://classes.nyu.edu/](http://classes.nyu.edu/). Other required articles are also posted on Blackboard, along with many of the supplemental readings. These supplemental articles are purely optional, for your own interest.

NOTE: please be sure to change your email address on Blackboard to the address you use most often by going to “Tools” and then “Personal Information.” I will use this email list to post notices and send important information throughout the semester.
Class Schedule and Reading List
[Note: Asterisk * indicates assignment due at beginning of class]

**Part I: Market Forces in the Development of Cities**

1. **Introduction: What is a City and Why Do They Exist? (September 7)**

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

   **Supplementary**

2. **What Drives Urban Economic Growth? (September 14)**

   Glaeser, Edward, “Urban Colossus: Why is New York America’s Largest City?”

   **Supplementary**
   O’Sullivan, Chapter 3.
3. Why Do We Care About Economic Growth? (September 21)

O’Flaherty, Chapter 18, pp. 517-531.

Supplementary

4. Urban Economic Growth and State and Local Policy (September 28)*

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 (October 5)

O’Sullivan, Chapter 6.

Supplementary

6. Land Use Patterns and Causes of Suburbanization (October 12)

O’Sullivan, Chapter 7.

Supplementary
O’Flaherty, Chapters 3 and 6.
7. Overview of Local Government (October 19)*

O’Sullivan, Chapter 15.

Supplementary

8. The Economics of Zoning (October 26)

O’Sullivan, Chapter 9.

Supplementary
9. The Economics of Housing Markets (November 2)*

O’Flaherty, Chapter 13.

Supplementary

10. IN-CLASS MIDTERM EXAM - Tuesday, November 9th
**Part III: Economics of Urban Problems**

11. Suburbanization and Sprawl: An Assessment (November 16)


**Supplementary:**


12. Race and Housing (November 23)

O’Flaherty, Chapter 12.


**Supplementary**


13. Urban Poverty: The Role of Space (November 30)


**Supplementary**


14. Looking to the Future (December 7)


**Supplementary**

