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

URPL-GP.2608-002: Urban Economics
Spring 2013

Tuesday, 9-10:40am
Tisch Building, LC9

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Office Hours: Tuesdays 4:00-5:30 or by appointment

Tutor:
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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 suburban sprawl. 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 two policy memos. The assignments will combine problems and data analysis (using a spreadsheet program such as excel). 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 19th
2. Second assignment (5% of final course grade)
   Due in class 7, Tuesday, March 12th
3. Third assignment (5% of final course grade)
   Due in class 9, Tuesday April 2nd
4. Midterm exam (40% of final course grade)
   Class 10, Tuesday, April 9th
5. First policy memo (20% of class grade)
   Class 12, Tuesday April 23rd
6. Second policy memo (25% of final course grade)
   Due 12:00pm, Monday, May 13th

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 O’Sullivan chapters are in a customized text available for sale at the NYU Bookstore. The customized text may also be purchased as an e-book (see instructions posted on the course NYU Classes site). The O’Flaherty chapters are included in the course reader for the class available at Unique Copy Center. You may want to call ahead to make sure that they have a packet ready for you (212-420-9198).

There are numerous other required readings for the class, all of which are posted on NYU Classes. Most of the supplemental readings should be posted on the site 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 29)

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

Supplementary

2. What Drives Urban Economic Growth? (February 5)


Supplementary
3. Why do we Care about Economic Growth? (February 12)

O’Flaherty, Chapter 18, pp. 517-531.

Supplementary

4. Urban Economic Growth and State and Local Policy (February 19)

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 26)

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

Supplementary
http://www.research.stlouisfed.org/publications/review/05/05/CohenCoughlin.pdf.

6. Land Use Patterns and Causes of Suburbanization (March 5)

O’Sullivan, Chapter 7.

Supplementary
O’Flaherty, chapters 3 and 6.

7. Overview of Local Government (March 12)

O’Sullivan, Chapter 15.

8. The Economics of Zoning (March 26)

O'Sullivan, Chapter 9.

Supplementary
Downs, Anthony, New Visions for Metropolitan America (Brookings Institution Press, 1994).
O’Flaherty, Chapter 8.

9. Economics of Housing Markets (April 2)

O’Flaherty, Chapter 13.
Supplementary

10. IN-CLASS MIDTERM – Tuesday, April 9th

Part III: Economics of Urban Problems

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


Supplementary:
12. Race and Housing (April 23)

O’Flaherty, Chapter 12.
Iceland, John, and Daniel Weinberg, “Racial and Ethnic Residential Segregation in the United States,” Census 2000 Special Reports, August 2002, chapters 1, 2, and 7. [Read quickly; focus on reasons for why neighborhoods matter.]
http://www.census.gov/hhes/www/housing/housing_patterns/pdftoc.html


Supplementary

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


Supplementary


14. Looking to the Future (May 7)


Supplementary

