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

URPL-GP.2608: Urban Economics
Spring 2014

Tuesday, 9-10:40am, Tisch LC9
Tuesday, 4:55-6:35pm, GCASL 279

Professor Ingrid Gould Ellen
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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 are four take-home assignments, a mid-term exam, and a policy memo. 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.

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 18th
2. Second assignment (5% of final course grade)
   Due in class 7, Tuesday, March 11th
3. Third assignment (5% of final course grade)
   Due in class 9, Tuesday April 1st
4. Midterm exam (50% of final course grade)
   Class 10, Tuesday, April 8th
5. Fourth assignment (5% of class grade)
   Class 12, Tuesday April 22nd
6. Policy memo (30% of final course grade)
   Due 1:00pm, Friday, May 9th

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 28)

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

Supplementary

2. What Drives Urban Economic Growth? (February 4)


Supplementary

3. Why do we Care about Economic Growth? (February 11)

O’Flaherty, Chapter 18, pp. 517-531.

Supplementary

4. Urban Economic Growth and State and Local Policy (February 18)

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 25)

O’Sullivan, Chap 6.

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

6. Land Use Patterns and Causes of Suburbanization (March 4)

O’Sullivan, Chapter 7.

Supplementary
O’Flaherty, chapters 3 and 6.

7. Overview of Local Government (March 11)
O’Sullivan, Chapter 15.

8. The Economics of Zoning (March 25)
O’Sullivan, Chapter 9.

Supplementary
O’Flaherty, Chapter 8.

9. Economics of Housing Markets (April 1)
O’Flaherty, Chapter 13.

**Supplementary**

10. IN-CLASS MIDTERM – Tuesday, April 8th

**Part III: Economics of Urban Problems**

11. Suburbanization and Sprawl: An Assessment (April 15)


**Supplementary:**

12. Race and Housing (April 22)
O’Flaherty, Chapter 12.


**Supplementary**


13. Urban Poverty: The Role of Space (April 29)


Supplementary

14. Looking to the Future (May 6)


Supplementary