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

URPL-GP.2608: Urban Economics
Spring 2016

Tuesday, 9-10:40am, 25W4 Room: C-20
Tuesday, 4:55-6:35pm, GCASL 279

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Tutor: Alice Anigacz, ama830@nyu.edu
Office hours: Mondays 5:00-6:00, The Study, Puck Building
Email by 10pm on Sunday evening if you plan to attend

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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 three 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.

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 16th
2. Second assignment (5% of final course grade)
   Due in class 7, Tuesday, March 8th
3. Third assignment (5% of final course grade)
   Due in class 9, Tuesday March 29th
4. Midterm exam (50% of final course grade)
   Class 10, Tuesday, April 5th
5. Fourth assignment (5% of class grade)
   Class 12, Tuesday April 19th
6. Policy memo (30% of final course grade)
   Due in class 14, Tuesday May 3rd

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 26)

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

Supplementary

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


Supplementary
3. Why Do We Care About Economic Growth? (February 9)

O’Flaherty, Chapter 18, pp. 517-531.

Supplementary

4. Urban Economic Growth and State and Local Policy (February 16)

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 23)

O’Sullivan, Chap 6.

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

6. Land Use Patterns and Their Causes (March 1)

O’Sullivan, Chapter 7.

Supplementary
O’Flaherty, chapters 3 and 6.
7. Overview of Local Government (March 8)

O’Sullivan, Chapter 15.

8. The Economics of Zoning and Land Use Regulations (March 22)

O’Sullivan, Chapter 9.

Supplementary
O’Flaherty, Chapter 8.
9. Economics of Housing Markets (March 29)

O’Flaherty, Chapter 13.

**Supplementary**
Glaeser, Edward L. and Joseph Gyourko. “Urban decline and durable housing.”

10. IN-CLASS MIDTERM – Tuesday, April 5th

Part III: Economics of Urban Problems

11. Suburbanization and Sprawl: An Assessment (April 12)


**Supplementary:**


12. Race and Housing (April 19)

O’Flaherty, Chapter 12.

Supplementary

13. Urban Poverty: The Role of Neighborhoods (April 26)


Supplementary

14. Looking to the Future (May 3)


Supplementary