

ECON*3500 F15
Urban Economics
Credit Weight 0.5**General Course Information**

Instructor:	Paul Anglin
<i>Email</i>	panglin@uoguelph.ca Please include the course number in the subject line or your message may be deleted without being read. Some questions can be answered by checking Courselink.
<i>Office Location</i>	MINS 213F, ext. 58542
<i>Office Hours</i>	Tuesdays and Thursdays 2:00-3:00 pm or by appointment (given generously)
<i>Department/School</i>	Department of Economics and Finance
<i>Class Schedule:</i>	Tuesdays and Thursdays 4:00-5:30pm, MacKinnon 117
<i>Pre-requisites:</i>	ECON*2310

Course Description

Common economic models suggest that transportation costs are unimportant, that the structure of cities is unimportant and that nearly all of the tools used for economic development are implemented at the national level. In fact, land is a scarce resource and land is an input into production and consumption (e.g. factories, warehouses, shopping malls and houses). The importance of this dimension should be evident from the increasing emphasis on how cities affect economic lives. We will discuss how the price of a good varies by location, the structure of cities responds to market forces and how other aspects of society may co-vary with location. We may also discuss price dynamics.

Indicative Content

This course uses five basic principles of economics to consider the location dimension of economic processes. The course will discuss some public policy implications of the location dimension as well as some managerial implications. As time and *your* interest allow, we will take excursions into related topics.

Course Resources**Required Texts:**

O'Sullivan, A., *Urban Economics*, Irwin/McGraw-Hill, New York.

Several styles are available

a) Best Option: The bookstore should have a course-specific version of the book which includes the most important chapters.

b) A hard cover version is available from many sources. In spite of slight differences between the editions, the 7th and 8th editions are acceptable to me. 9th edition is probably good but seems a bit pricey.

Course Assessment

			Due Date
Assessment 1:	25%	Two Group Assignments	Approx. Oct. 8; mid-Nov.
Assessment 2:	30%	Mid term	October 27
Assessment 3:	45%	Final Exam	December 9, 2:30-4:30pm
Total	100%	It is <i>your</i> responsibility to avoid scheduling conflicts.	

Anticipated Schedule (Chapter Numbers are taken from the a))

- Sept 10 Introduction
15 5 Principles, 5 Axioms: Supply and demand applied to location
Ch. 1, OS Appendix
17 Competing definitions of a city
Ch. 1 Appendix, Ch. 2
22 Transportation costs and market area
Ch. 2 Appendix http://www.youtube.com/watch?v=-CYT4PFV_Hs
24 Industrial Location
Ch. 2 (cont.)
29 Agglomeration: Reasons I
Ch. 3 pp. 43- 53 [http://www5.statcan.gc.ca/olc-
cel/olc.action?ObjId=11F0027M2013084&ObjType=46](http://www5.statcan.gc.ca/olc-
cel/olc.action?ObjId=11F0027M2013084&ObjType=46)
- Oct. 1 Agglomeration: Reasons II
Ch. 3 pp. 53- 67
6 Optimal city size vs. equilibrium size
Ch. 4 [http://www.npr.org/blogs/krulwich/2013/04/08/176565424/the-big-squeeze-can-
cities-save-the-earth](http://www.npr.org/blogs/krulwich/2013/04/08/176565424/the-big-squeeze-can-
cities-save-the-earth)
8 Land Rent: The Left-Over Principle
Ch. 6 (Ch. 6 Appendix may be helpful)
13 Fall Study Break
15 Competing users determine the market price of land
Ch. 6 (cont.)
20 Changes to the structure of a city
Ch. 6 (cont.)
22 Review of Assignment
27 Midterm
29 Urban sprawl: Context
Ch. 7 incl. Appendix (esp. pp. 168- 180)
- Nov. 3 Urban sprawl: Policy solutions
Ch. 9
5 Review of Midterm
10 Demand for residential housing and estimating market value
12 Hedonic price function: Individual behaviour vs. market valuation
Rosen, S., 1974, "Hedonic prices and implicit markets: Product differentiation in pure

competition”, *Journal of Political Economy*, 34- 55. <http://www.jstor.org/stable/1830899>

- 17 Consumption and investment motives
Rosen (cont.), and a microeconomics book which discusses decisions over time
- 19 More than the purchase price: “User Cost”
Ch. 13 (not pp. 348- 352)
- 24 Experiment
- 26 Congestion: Private Transportation
Ch. 10 http://www.metrolinx.com/en/regionalplanning/costsofcongestion/ISP_08-015_Cost_of_Congestion_report_1128081.pdf
- Dec. 1 Public Transportation
Ch. 11
- 3 “The Ultimate Lecture” (your choice)

Miscellaneous

Attendance and participation are encouraged, in part because tests and assignments will ask you to use ideas discussed in the textbook *and* those discussed in class. Please arrive on time and, if forced to arrive late, enter quietly.

Explanations: Tests and assignments will be marked based on your ability to explain your answer and this idea leads to three thoughts. First, the assignments are intended to prepare you for the tests by revealing to you which topics you find easy and which you find hard. Second, in addition to giving the “typical” answer if asked a “typical” question, your ability to explain an answer depends in part on being able to identify the relevant question: no project and no question that you will see in the real world will look exactly like the question on which you are being graded. Third, while I can almost guarantee that I will be less exciting than that recent YouTube video, I will be unhappy if you use your laptop during class time for anything other than class-related activities. I try to make the class as relevant and as interesting as possible while teaching you important ideas. Research¹ is starting to show that using a laptop to take notes in class disrupts your understanding of the ideas and of how best to combine them to form an answer.

Sickness: If you are forced to miss a graded item, please bring me a doctor’s note or other evidence within one week. If accepted, the weight for that test will be divided amongst the assignments and the final exam. To the best of your ability, I expect you to tell me of a situation as soon as possible.

Final examination conflicts: Students are responsible for ensuring that they do not have a time conflict with examinations in other courses. You are not permitted to enrol in this course if you have a time conflict with another course.

SAS: If you are registered with the Student Accessibility Services (SAS) and will require some form of accommodation, please tell me during the first week of classes.

For students who are not registered with SAS, I often receive a request for a note taker in this class. If you would like to help, please talk to SAS soon.

Plagiarism is a serious academic offence. The University’s Policy on Plagiarism and possible punishments for violations is outlined at <http://www.academicintegrity.uoguelph.ca/>.

In this course, I will be using Turnitin, integrated with the CourseLink Dropbox tool. A major benefit to you of using Turnitin is that you will be able to educate and empower yourself in preventing academic misconduct. In this course, you may screen your own assignments through Turnitin as many times as you wish before the due date. You will be able to see and print reports that show you exactly where you have properly and improperly referenced the outside sources and materials in your assignment.

Mostly, I trust you to act ethically because there are many reasons for you to do your own work. A

¹ <http://www.scientificamerican.com/article/a-learning-secret-don-t-take-notes-with-a-laptop/>

test is not just used to judge how well you can repeat what was told to you. The most important reason to do your own work is that no project that you will see in the real world will look exactly like the test or exercise that you are being graded on. The most interesting projects in the real world will involve things that are too new to be included in any textbook. The best students take advantage of these guided opportunities to go beyond what is taught in class. For these reasons, the process by which you arrive at an answer (and your explanation) is at least as important to you as the answer itself. Another type of reason to act ethically is that many professional associations have Codes of Ethics which differ little from what this University expects. I note that many of the problems with academic integrity result from poor time management or from carelessness; since potential employers are also concerned about these habits, any concerns about academic integrity are not isolated to the university.

University Grading Scheme

This course follows the University grading scheme outlined in the University Calendar:

A+, A, A-	80- 100	Excellent: An outstanding performance in which the student demonstrates a superior grasp of the subject matter, and an ability to go beyond the given material in a critical and constructive manner. The student demonstrates a high degree of creative and/or logical thinking, a superior ability to organize, to analyze, and to integrate ideas, and a thorough familiarity with the appropriate literature and techniques.
B+, B, B-	70- 79	Good: A more than adequate performance in which the student demonstrates a thorough grasp of the subject matter, and an ability to organize and examine the material in a critical and constructive manner. The student demonstrates a good understanding of the relevant issues and a familiarity with the appropriate literature and techniques.
C+, C, C-	60- 69	Acceptable: An adequate performance in which the student demonstrates a generally adequate grasp of the subject matter and a moderate ability to examine the material in a critical and constructive manner. The student displays an adequate understanding of the relevant issues, and a general familiarity with the appropriate literature and techniques.
D+, D, D-	50- 59	Minimally acceptable: A barely adequate performance in which the student demonstrates a familiarity with the subject matter, but whose attempts to examine the material in a critical and constructive manner are only partially successful. The student displays some understanding of the relevant issues, and some familiarity with the appropriate literature and techniques.
F	0- 49	Fail: An inadequate performance.

http://www.uoguelph.ca/undergrad_calendar/index.shtml

Course Policies

Grading Policies: <https://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-grds-proc.shtml>

University Policies

Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for

Academic Consideration: <http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-ac.shtml>

Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

In this course, I will be using Turnitin, integrated with the CourseLink Dropbox tool, to detect possible plagiarism, unauthorized collaboration or copying as part of the ongoing efforts to maintain academic integrity at the University of Guelph. All submitted assignments may be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers. Use of the Turnitin.com service is subject to the Usage Policy posted on the Turnitin.com site.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/current/>

Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact the Centre for Students with Disabilities as soon as possible.

For more information, contact SAS at 519-824-4120 ext. 56208 or email csd@uoguelph.ca or see the website: <http://www.uoguelph.ca/csd/>

Course Evaluation Information

Please refer to the <https://www.uoguelph.ca/economics/course-evaluation>

Drop date

The last date to drop this course, without academic penalty, is Fri. Nov. 6. For regulations and procedures for Dropping Courses, please see the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/current/>

Course Learning Outcomes

Skills

1) *Written Communication*

Multiple formats are used: time-constrained tests and week-long assignments which may require outside reading.

4) *Analytical Problem Solving*

Students are constantly asked “**What is the basis of your opinion?**” In group projects, members often **debate** or **compare** different possible answers and **synthesize** the various points of view into a cohesive answer. Student must often **interpret** the facts given to **diagnose** a situation, to **determine** if those facts are sufficient and to **recommend** solutions **convincingly**.

5) *Problem Solving in a Real World Context*

Nearly all questions are **motivated** by more or less recent events and the answers are expected to be **operationally relevant**.

6) *Group work*

Yes, although there is some discretion

8) *Professional and ethical awareness and conduct*

Academic integrity is expected at all times, if only because this course is used by some students for credit towards a professional designation from an Institute with a Code of Ethics.

Knowledge

1) *Mathematical Methodology*

A variety of methods are used: **optimization**; graphs are used to **relate** significant variables and to **investigate** compatible solutions; applied number sense through comparative statics analysis.

3) *Microeconomic Modeling*

Students need to **discover** which familiar economic principles are relevant in an unfamiliar or loosely-structured context. The existence of many types of externalities in an urban setting implies that the results of market forces, as **determined** using various equilibrium conditions, are often inefficient.

4) *Macroeconomic Modeling*

An urban area represents a system which is larger than the market for a single good, which may cross national boundaries but is not national in scope. Students are expected to be able to **break down** this system into its components and to **reconstruct** the system with proper accounting for feedback and substitution effects.

5) *Understanding of Specific Markets*

Applications to land, housing, transportation, and labour markets.

6) *Historical and Global Context*

Location is a rarely-considered dimension of economic problems. Students in this course are expected to **understand** how it affects where people live, work and shop, and where organizations locate. Since these effects change over time and space, **examples** are offered and students are expected to **verify** the relevance of different theories to any particular example.

7) *Economic Policy and Regulation*

Students are expected to **assess** the diverse impacts of policy remedies, such as zoning policy or congestion taxes, in order to **critique** them or to **propose** better alternatives.