

Spring 2021
TTh 11:30am-1:00pm
synchronous via Zoom

Prof. Janet Kohlhase
University of Houston

ECON 4377, Section 27188
Urban Economics
(updated 1/20/2021)

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hours: by appointment (send email request with course name and number in subject line)

web pages: <http://www.uh.edu/~kohlhase> (general information)
<http://www.uh.edu/blackboard> (Blackboard Learn class website,
password access)

TA: Ryan McGregor, office hours via Teams held Wednesdays 3-4pm and also by appointment. Email: rpmcgregor@uh.edu (send email request with course name and number in subject line)

Course Overview: In this undergraduate course you will learn about the economics of cities. First, we will discuss the economic advantages (and disadvantages) when competing activities locate in close proximity. Next, microeconomic decision-making by firms and consumers will be explored and the impact of those decisions on urban spatial structure within cities will be discussed. Differences between cities will be examined in terms of population and earnings. The last part of the course covers selected urban problems and policies including transportation and congestion; housing markets; urbanization and climate change; and local public finance.

Learning Outcomes:

- Students will be able to use urban economic terminology and models appropriately and correctly.
- Students will be able to analyze and interpret quantitative data about the urban economy.
- Students will be able to organize and present material in a systematic framework based on urban economic models.

Logistics: Urban economics is being taught for the first time as a synchronous class in Spring 2021. Students will attend each class period (TTh 11:30am-1:00pm CT) online synchronously using a video conferencing app. Supplemental course material will be posted on the class Blackboard site. The TA may offer office hours via Teams and a few synchronous/asynchronous sessions to review the problem sets.

What do you need to do to successfully participate in class? You should download video conferencing software to your devices. The class will start out using Zoom; and Microsoft Teams is also a possibility. You must have a stable internet connection, a webcam and a microphone attached to the device you are using so that you can participate synchronously and to be monitored while you take exams. You also should have a high-quality scanner to copy your exams and problem sets to upload to Blackboard or to email to the TA.

Prerequisites: Intermediate micro (econ 3332) or equivalent or permission from me. Nice to have taken: Statistics (econ 2370) and econometrics (econ 3370).

Required Information from the University of Houston

Excused Absence Policy

Regular class attendance, participation, and engagement in coursework are important contributors to student success. Absences may be excused as provided in the University of Houston [Undergraduate Excused Absence Policy](#) and [Graduate Excused Absence Policy](#) for reasons including: medical illness of student or close relative, death of a close family member, legal or government proceeding that a student is obligated to attend, recognized professional and educational activities where the student is presenting, and University-sponsored activity or athletic competition. Under these policies, students with excused absences will be provided with an opportunity to make up any quiz, exam or other work that contributes to the course grade or a satisfactory alternative. Please read the full policy for details regarding reasons for excused absences, the approval process, and extended absences. Additional policies address absences related to [military service](#), [religious holy days](#), [pregnancy and related conditions](#), and [disability](#).

Recording of Class

Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the [Center for Students with DisABILITIES](#). If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Classes may be recorded by the instructor. Students may use instructor's recordings for their own studying and notetaking. Instructor's recordings are not authorized to be shared with *anyone* without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.

Syllabus Changes

Due to the changing nature of the COVID-19 pandemic, please note that the instructor may need to make modifications to the course syllabus and may do so at any time. Notice of such changes will be announced as quickly as possible through announcements on Blackboard and via group emails to your [Exchange email account](#).

Other Recommended Information from the University of Houston

Resources for Online Learning

The University of Houston is committed to student success, and provides information to optimize the online learning experience through our [Power-On](#) website. Please visit this website for a comprehensive set of resources, tools, and tips including obtaining access to the internet, AccessUH, and Blackboard; requesting a laptop through the Laptop Loaner

Program; using your smartphone as a webcam; and downloading Microsoft Office 365 at no cost. For questions or assistance contact UHOnline@uh.edu.

UH Email

Email communications related to this course will be sent to your [Exchange email account](#) which each University of Houston student receives. The Exchange mail server can be accessed via Outlook, which provides a single location for organizing and managing day-to-day information, from email and calendars to contacts and task lists. Exchange email accounts can be accessed by logging into Office 365 with your Cougarnet credentials or through Access UH. Additional assistance can be found at the [Get Help](#) page.

Webcams

Access to a webcam is required for students participating remotely in this course. Webcams must be turned on during lectures to ensure active participation in lectures. Webcams must also be turned on during exams to ensure the academic integrity of exam administration.

Course Delivery Formats and Final Exams

Synchronous Online Courses: This course is being offered in the Synchronous Online format. Synchronous online class meetings will take place according to the class schedule. There is no face-to-face component to this course. In between synchronous class meetings, there may also be asynchronous activities to complete (e.g., discussion forums and assignments). This course will have a final exam per the [University schedule](#). The exam will be delivered in the synchronous online format, and the specified date and time will be announced during the course. Prior to the exam, descriptive information, such as the number and types of exam questions, resources and collaborations that are allowed and disallowed in the process of completing the exam, and procedures to follow if connectivity or other resource obstacles are encountered during the exam period, may be provided.

Helpful Information from the University of Houston

COVID-19 Updates: <https://uh.edu/covid-19/>

Coogs Care: <https://www.uh.edu/dsaes/coogscare/>

Laptop Checkout Requests: <https://www.uh.edu/infotech/about/planning/off-campus/index.php#do-you-need-a-laptop>

Health FAQs: <https://uh.edu/covid-19/faq/health-wellness-prevention-faqs/>

Student Health Center: <https://uh.edu/class/english/lcc/current-students/student-health-center/index.php>

Urban Economics Course Details

Textbooks: (OS) Arthur O’Sullivan, *Urban Economics*, 9th edition, McGraw-Hill, 2019. *(required)*.

The OS text is available in different formats including:
 hardbound rental text: 9780078021787 (\$70);
 looseleaf text (purchase): 9781260465426 (\$123);
 ebook Access card: 9781260501308 (\$80)

(AM) Richard J. Arnott and Daniel P. McMillen, *A Companion to Urban Economics*, Blackwell, 2006. *(recommended)*; we will read a few chapters from this book of readings.

(B) Jan K. Brueckner, *Lectures on Urban Economics*, MIT Press, 2011, ISBN 978-0-262-01636-0 *(recommended)*; we will read a few chapters from this book.

Other Readings: Selected journal articles and/or book chapters will also be assigned during the semester and will be posted on Blackboard (*Note:* chapters from the O’Sullivan text will not be posted on Blackboard).

Course Evaluation:

25%	Midterm Exam 1	(Tues. Feb. 23, 2021 online during class)
25%	Midterm Exam 2	(Tues. April 6, 2021 online during class)
35%	Final Exam	(Tues. May 13, 2021, 11am-2pm, online)
15%	Problem Sets	(3 assigned throughout the term)

Exams are problem oriented and will have short discussion and graphical analysis components. All exams are closed-note, closed book. Midterms cover certain materials whereas the final exam is comprehensive. **All exams, quizzes and problem sets are covered by the UH Honesty policy (see below).** Group problem sets by up to *two* students are encouraged, and group composition does not need my prior approval. However each student may only be in one group. All group members receive the same grade. All answers for exams, quizzes and problem sets must be original to you and in your own words.

COURSE POLICIES: All assignments are required and must be completed and turned in on time. Problems sets will be uploaded to Blackboard or emailed to the TA. **NO MAKEUP EXAMS! I will follow the UH excused absence as policy outlined above.** Any absence from an exam or quiz for medical reasons must be documented by your physician. Any other absence from an exam must be approved by me *in advance* in writing. Unapproved absence from any exam counts as a zero.

Classroom Conduct: I expect you to attend all classes and actively and politely engage in the discussions. I also expect you to arrive on time. Please turn off your mobile devices during class. Students are expected to abide by the University of Houston’s Code of Student Conduct: (<http://www.uh.edu/dos/behavior-conduct/student-code-of-conduct/>)

Academic Honesty: To cultivate an environment of academic integrity, the University of Houston expects students to abide by the University's Undergraduate Academic Honesty Policy, found in the Undergraduate Catalog. <http://www.uh.edu/academic-honesty-undergraduate>. **All exams, quizzes and problem sets are covered by the UH Honesty policy.**

Counseling and Psychological Services: Counseling and Psychological Services (CAPS) -- www.uh.edu/caps-- are available for students having difficulties managing stress, adjusting to college, or feeling sad and hopeless. You can reach CAPS by calling 713-743-5454 during and after business hours for routine appointments or if you or somebody you know is in crisis. The "Let's Talk" program provides a drop-in consultation service at convenient locations and hours around campus. http://www.uh.edu/caps/outreach/lets_talk.html

Students with Disabilities: The College of Liberal Arts and Social Sciences, in accordance with 504/ADA guidelines, is committed to providing reasonable academic accommodations to students who request them. Students seeking accommodation must register with the Center for Students with Disabilities (CSD) 713-743-5400 and present approved documentation to me as soon as possible.

Course Outline*

Topic	Description	Readings
1.	<i>Introduction</i>	
	a. What is urban economics? How do we measure cities?	OS-1 Glaeser, <i>Triumph of the City</i> , 2011, "Introduction," pp. 1-15.
	b. Key concepts of urban economics	OS-2
	c. Review (on your own) tools of microeconomics	OS-24
2.	<i>Why do cities exist?</i>	OS-3
	What are agglomeration economies?	OS-4 AM-1(<i>The Micro Empirics of Agglomeration Economies</i>)
3.	<i>Firm location and cities</i>	
	a. Transport costs and firms	OS-5
4.	<i>Consumer demand for variety and cities</i>	OS-6
5.	<i>Cities in a regional economy.</i> Why are cities different sizes?	OS-7
6.	<i>Urban Labor Markets.</i> Are earnings higher in larger cities?	OS-8 Beeson & Groshen "Components of City-Size Wage Gaps," <i>Economic Review Fed. Reserve Bank of Cleveland</i> , 1991.
7.	<i>Resource allocation near and within cities</i>	
	a. Land rent and land use for a monocentric city	
	-agricultural firms and land rent	von Thunen handout
	-manufacturing firms and land rent	OS-10
	-office firms and land rent	OS-11
	-consumers and land rents	OS-12; B-2; handout on Brueckner model of urban land rent
		AM-6 (<i>Monocentric Cities</i>); AM-8 (<i>Testing for Monocentricity</i> —omit section 8.3.2)
	b. Land use in polycentric and decentralized cities	OS-13, B-3; handout on non-monocentric cities; handout on population and employment densities

Topic	Description	Readings
8.	<i>Urban transportation</i>	
	a. road congestion	OS-18 handout--congestion in US cities handout—congestion policies in Hong Kong, Singapore, Shanghai, and London
	b. Urban public transit	OS-19
9.	<i>Urban Housing Issues</i>	
	a. Land Use Policies	OS-16
	b. Externalities in housing markets	Kohlhase handout on Superfund sites impact on housing markets
	c. Housing policies	OS--17
10.	<i>Urbanization and Climate Change</i>	Glaeser, <i>Triumph of the City</i> , 2011, ch. 8, “Is There Anything Greener than Blacktop?” Glaeser & Kahn, “The Greenness of Cities: CO2 Emissions and Urban Development,” <i>Journal of Urban Economics</i> , vol. 67, 2010, pp. 404-418.
11.	<i>Local public goods and services</i>	OS-20,21
12.	<i>The future of US cities and cities around the world</i>	Glaeser and Kohlhase, “Cities, Regions and the Decline in Transport Costs,” <i>Papers of the Regional Science Association</i> , vol. 83, 2004, pp.197-228. Kohlhase, "The New Urban World 2050: Perspectives, Prospects and Problems,” <i>Regional Science Policy and Practice</i> , vol. 5(2), June 2013, pp.153- 165.

*NOTE: Journal articles and non-OS book chapters are posted on Blackboard; a few additional readings may be assigned during the course. As instructor, I reserve the right to alter the course topics, readings and policies during the course and will announce changes in class, post on Blackboard and send group emails to your UH exchange email address (ends in uh.edu). Students are expected to be aware of any of the changes presented by the instructor during the course.