

**Economics 4300 – Economics of Cities (Urban Economics)
Spring 2018**

Instructor:

Dr. Carlianne Patrick

Office: 14 Marietta Street (Andrew Young School of Policy Studies), Room 427

Office Hours: 2:30 - 3:30 pm Mondays, or by appointment

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Course Meeting:

Mondays, 4:30 – 7:00 p.m., Aderhold Learning Center 106

Course Content:

This course will primarily be focused on the study of *where* economic activity takes place and *why* economic agents (individuals, firms, and governments) choose to locate near each other and in certain areas. We will also study economic activity that is inherently place-based such as the housing market and local government policy. The course will use economic theory and present empirical evidence (where available) to answer questions such as, “Why do cities exist?” “Why do firms locate near each other?” and “Who benefits from urban economic re-development?”

Text:

Urban Economics, Arthur O’Sullivan, 8th edition.

Prerequisites:

ECON 2106, Principles of Microeconomics

Important Dates:

01/15 – MLK Holiday, no class

02/26 – Midterm Exam (in-class)

02/27 – Last day to Withdraw (more information linked [here](#)).

03/12 – Spring Break, no class

04/30 – Final Exam, 4:15-6:45 pm (per University schedule)

Assignments and Grading:

The required work for this course includes in-class assignments to be completed before the end of class, as well as periodic out of class assignments. Some of these assignments will be group work, others will not. In addition to class participation and assignments, students will be graded on a mid-term and final exam. Assignments will be based on lecture; exams will be based on lecture and assignments. The best way to prepare for exams and complete assignments is to attend class. Exams will consist of both multiple choice and short answer/essay questions. The final exam is cumulative.

Students will be assigned a letter grade from the University letter scale: A+, A, A-B+, B, B-, C+, C, C-, D, F. The final letter grade will be assigned based on student performance on assignments, and exams with the following weight:

5%	Class Participation
20%	Assignments
35%	Midterm Exam
40%	Final Exam

I reserve the right to increase the weight of the final in order to benefit students that significantly improve their grade from the midterm.

Students who feel that an exam question was incorrectly or unfairly graded have the right to make a written appeal. The written appeal will be due one week from when the exam is handed back. The appeal should consist of a 1-3 paragraph explanation of why the student believes their answer deserves to be reconsidered and should be typed.

Students who wish to request accommodations for a disability may do so by registering with the Office of Disability Services. Students may only be accommodated upon issuance by the Office of Disability Services of a signed Accommodation Plan and are responsible for providing a copy of that plan to instructors of all classes in which an accommodation is sought.

Missed Assignments and Exams:

No make-up exams are given. If a student misses the midterm exam for a valid reason (serious illness, death of a family member) and has a signed, dated note explaining the absence, with a phone number of someone to verify the excuse, the student will have their performance on the final exam weighted to make up for the lost exam. There is no make-up for the final exam, missing the final will result in a failing grade.

No make-up assignments are given. The lowest assignment grade will be dropped. Out of class assignments are due at the beginning of class on the due date specified. In-class assignments are due before the end of class on the date they are given.

Late assignments will not be accepted.

Attendance Policy:

Attendance will be taken daily. Although attendance does not directly affect your grade, class participation does. Attendance is a necessary, but not sufficient, condition for class participation.

All electronic communication devices are to be turned off and made inaccessible during lectures and exams. Violations of this policy will affect your class participation score. Video recording and picture taking are prohibited during lectures and exams. Audio recording of lectures is allowed only with the permission of the professor.

Extra Credit:

Students will have the opportunity to earn extra credit at limited times throughout the semester by attending an on-campus talk by an economist and writing a short summary of the talk. These opportunities will be announced in class as they become available.

Academic Honesty:

All students are expected to adhere to the highest standards of academic honesty. Each student is responsible for knowing and following the academic honesty policies of Georgia State University (See Policy on Academic Honesty (Section 409)). Students may work together on assignments, but each student must submit their own work. All in-class exams in the course are closed-notes, closed-books exams. It is each student's responsibility to avoid any activity that suggests cheating. Please refer to the Georgia State University Code of Conduct (available on-line at: <http://codeofconduct.gsu.edu/>) for further explanation of the University policy. Note that any student suspected of academic dishonesty **WILL** be referred to the Dean's Office and prosecuted to the fullest extent of University policy.

Learning Outcomes:

- Students will be able to identify the economic forces that explain why cities exist.
- Students will be able to explain why firms agglomerate.
- Students will be able to define the concept of bid rent.
- Students will be able to describe location equilibriums and analyze how they can change.
- Students will be able to identify the factors causing urban sprawl.
- Students will be able to identify reasons for poverty concentration in urban areas.
- Students will be able to identify the different ways of measuring economic growth in an urban area and how these measures represent benefits to various groups.
- Students will be able to evaluate different government policies used for urban economic redevelopment and determine how they benefit various groups.

-Students will be able to use a sorting model to determine the allocation of local public goods across an urban area.

- Students will be able to evaluate different techniques economists use to identify racial discrimination in housing markets.

- Students will be able to explain the Median Voter Result.

-Students will be able to explain aspects of the housing market that differ from a standard market in economics.

-Students will be able to explain the Hedonic pricing technique and how it can be used to value different attributes in the housing market.

-Students will be able to explain how the User Cost model of housing can be used to find the price of a home.

AYS Career Services and Student Life Offices:

The Andrew Young School provides career support & leadership development services to all current AYS students and alumni. Students are invited to attend our career events and workshops, and individualized career counseling appointments can be arranged either with Colleen Perry, the Director of Career Services, or with University Career Services in the Student Center. Career Services can help students with résumé writing, interviewing, job searching, internship development, and networking. To see what career panels, career fairs, and events are available this semester, please visit: <http://career.aysps.gsu.edu/>

The office also supports all AYS student clubs and organizations – so read about the various groups within the college, and join one today: <http://career.aysps.gsu.edu/skill-leadership-development/> Make the most of your education by utilizing these great resources. *The AYS Career Services & Student Life office is located on the ground floor of the Andrew Young Building, in room G47-51.*

Course Evaluations:

Your constructive assessment of this course plays an indispensable role in shaping education at Georgia State. Upon completing the course, please take time to fill out the online course evaluation.

Course Outline:

- I. Introduction to Urban Economics, *O'Sullivan Chapter 1*
 - a. What is an economic city?
 - b. Economic tools used to study cities
 - c. 5 Axioms of Urban Economics

- II. Market Forces in the Development of Cities, *O'Sullivan Chapter 2 and 3*
 - a. Why Do Cities Exist?
 - i. Comparative Advantage, Specialization and Exchange
 - ii. Economies of Scale
 - iii. Types of Cities
 - b. Why Do Firms Cluster?
 - i. Agglomeration Economies

- III. Land Rent and Land Use Patterns, *O'Sullivan Chapter 6 and 7*
 - a. Urban Land Rent
 - b. Land Use Patterns

- IV. Urban Growth, Decline, Development, and Redevelopment, *O'Sullivan Chapter 5*
 - a. Growth
 - b. Decline
 - c. Development and Redevelopment
 - d. Redevelopment Policies- Who Benefits?

- V. Neighborhood Choice and Local Government, *O'Sullivan Chapter 8 and 16*
 - a. Neighborhood Choice
 - b. Identifying Racial Discrimination
 - c. The Role of Local Government

- VI. Housing, *O'Sullivan Chapter 14 and 15*
 - a. Why is Housing Different?
 - b. Hedonic Technique
 - c. Filtering and Housing Markets
 - d. Housing Policy

- VII. Urban Transportation, *O'Sullivan Chapter 10 and 11*
 - a. Externalities
 - b. Congestion
 - c. Mass Transit

The course syllabus provides a general plan for the course; deviations may be necessary.