

Economics 4004/7001: Economics of Cities - Spring 2018

Course Description: This class covers cities as economic units. Topics covered include the formation of cities, the process of urbanization, land and real estate markets in cities and local public sector economics. Both theoretical models and empirical evidence are discussed.

Both empirical evidence and theoretical models are presented. Prerequisite: Econ 3251 or Econ 4351.

Time and Place: Tuesdays and Thursdays 8am-9:15am, Middlebush 210

Instructor:

Saku Aura

Office: Professional Building 232

Office Hours: Mondays 11am-12noon

Phone: 882 6073

Email: auras@missouri.edu

Webpage: <https://faculty.missouri.edu/~auras/>

This course uses Canvas

Textbook: John F. McDonald & Daniel P. McMillen: Urban Economics and Real Estate – Theory and Policy, 2nd edition, Wiley. The lectures will cover some material beyond the material covered in the textbook. Note that this additional material is required for the exams.

Sections: This class has two sections: a writing-intensive (WI) section and a regular section. The requirements and grading will be different for the two sections.

Grading: The grading on this course is based on the exams (midterm and a final), writing assignments and problem sets.

Assingment	Writing-Intensive Section	Regular Section
Final exam	35%	45%
Midterm	20%	30%
Term Paper draft	5%	5%
Term Paper final version	15%	15%
Short Writing Assignment 1	10%	
Short Writing Assignment 2	10%	
Problem sets	5%	5%

Note that + and – modifiers will be used for both undergraduate and graduate students.

Graduate Credit: The expectations for the quality of the required writing assignments are higher for Graduate Students. Graduate students will follow the assignments for the regular (non writing-intensive) section.

Exams:

Midterm Exam: Tuesday 3/6, regular class time.

Final Exam: Monday 5/7, 12:30pm-2:30pm. The final exam is comprehensive.

Problem Sets:

I will occasionally assign problem sets based on the material we have learned (most likely 3 problem sets). While satisfactory completion of the problem sets can have a marginal effect on the grade (5%), the main purpose of the problem sets is to provide practice material for the exams and a to improve your understanding of the material.

Please return an original (handwritten or typed up) problem set solution on the due date. You may cooperate with your classmates on the problem sets (work in groups, discuss the solutions), but each student should return their own individual answers to problems (do individual write-ups).

Statement regarding extra credit

There will be no extra credit assignments in this class.

Attendance and Participation Policy

Attendance in class is purely voluntary but strongly recommended. I believe University students should be treated as adults. Past experience tells me that getting a passing grade without a stellar attendance record is very unlikely. If you miss a class for a non-emergency reason it will be solely your responsibility to find out what was covered during that class. Please do not contact me for notes or assignments if you missed a class for a non-emergency reason. For the purpose of this policy participation in a university-sanctioned event such as an intercollegiate athletic event will be treated as an excused emergency.

Preliminary Lecture Plan:

Reading relevant chapters from the textbook before the lecture will make the classroom discussion more interesting. The following is a rough guide on how the course will proceed.

All the dates are still subject to change.

Date	Topic	Chapter	Noteworthy
01/16/18	Introduction	1	
01/18/18	World Urbanization – Schools of Thought	2,3	
01/23/18	Location Decisions	4	
01/25/18	Location Decisions	4	
01/30/18	Location Decisions	4	
02/01/18	The Economic Function of cities	5	
02/06/18	The Economic Function of Cities	5	Writing Assignment 1 Due
02/08/18	The Economic Function of Cities	5	
02/13/18	Urban Location Patterns	6	
02/15/18	Urban Location Pattern	6	
02/20/18	Applications of the Monocentric City Model	7	
02/22/18	Applications of the Monocentric City Model	7	
02/27/18	Applications of the Monocentric City Model	7	Short Writing Assignment 2 due
03/01/18	Review		
03/06/18	Midterm		
03/08/18	Empirics of the Monocentric City	8	
03/13/18	Empirics of the Monocentric City	9	
03/15/18	Real Estate – Intro	9	
03/20/18	Housing in Urban Areas	10	Term Paper Topics Due
03/22/18	Housing in Urban Areas	10	
04/03/18	Housing Policy	11	
04/05/18	Real Estate Markets	12	
04/10/18	Public Sector in Urban Areas	14	Term Paper First Drafts Due
04/12/18	Public Sector in Urban Areas	14	
04/17/18	Urban Transportation	16	
04/19/18	Urban Social Problems	17, 18	
04/24/18	Urban Social Problems	17,18	
04/26/18	Urban Growth	22,23	
05/01/18	Urban Growth	22,24	
05/03/18	Review		Term Papers Due
05/07/18	Final Exam: 12:30pm-2:30pm		

Writing Intensive Requirements

There will be three major writing assignments in this class:

1. Two short reaction papers
2. Term paper

Please refer to the preliminary lecture plan above for deadlines for these assignments. All written assignments must be double-spaced 12-point font format, and with 1-inch margins and they must be submitted electronically. They must be in PDF or Word format and emailed to the instructor. The final versions of papers must use a consistent and formal style for acknowledging all sources. Late work will be penalized in grading.

1. Short Reaction Paper (3 pages): You will be asked to write a short essay discussing the economics of a potentially controversial topic assigned by the instructor.
2. Term Paper/Background Memo (9-11 pages): Your goal is to write an informative background memo on a policy topic or a theoretical topic. You are free to choose your topic as long as it falls broadly into the field of public economics as construed in this class. We will discuss potential topics in class. Your paper will be graded for the clarity exposition, argumentation and the use of sources. The goal of this paper is not necessarily to argue a point, but to provide a balanced presentation of a debate. You will be required to submit your topic for approval, as well as submit a (approximately 50% finished) first draft in addition to the final paper. Note that the first draft is worth 5% of the course grade.

NOTE: If you are planning to write a paper on a topic that you have already written a paper for another class or are concurrently writing for another class, please talk to me about it before starting. Sometimes situation like this could be accommodated if the papers are independent enough, however as a general rule this is not recommended. Writing paper on a same topic for two classes concurrently or reusing an old paper without these arrangements will be treated as academic dishonesty.

You are welcome to use as sources academic journals, working papers, newspapers, magazines, policy papers by think-thanks/governmental agencies/international agencies and other sources (such as books). Most sources are available online. Do not rely solely on newspaper/magazine commentary as sources; the goal is to write about the economics of the question, so it is important to relate to some of the economic analysis underlying the question. When citing information from a source, please try to keep in mind the underlying policy stand taken by the author/the publishing entity and try to present a balanced view on the topic. This does not mean that you are not allowed to take a particular point-of-view on the topic, but your paper should not present only one side of the argument.

Writing Requirements for the Regular Section

If you are not pursuing a writing-intensive credit you will only have to complete the third writing assignment (term paper/background memo).

Academic Dishonesty

Academic integrity is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards breaches of the academic integrity rules as extremely serious matters. Sanctions for such a breach may include academic sanctions from the instructor, including failing the course for any violation, to disciplinary sanctions ranging from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, collaboration, or any other form of cheating, consult the course instructor.

ADA

Students with Disabilities:

If you anticipate barriers related to the format or requirements of this course, if you have emergency medical information to share with me, or if you need to make arrangements in case the building must be evacuated, please let me know as soon as possible.

If disability related accommodations are necessary (for example, a note taker, extended time on exams, captioning), please register with the [Office of Disability Services](#), S5 Memorial Union, 573-882-4696, and then notify me of your eligibility for reasonable accommodations.

Intellectual Pluralism

The University community welcomes intellectual diversity and respects student rights. Students who have questions or concerns regarding the atmosphere in this class (including respect for diverse opinions) may contact the departmental chair or divisional director; the director of the [Office of Students Rights and Responsibilities](#); the [MU Equity Office](#), or equity@missouri.edu.

All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.

Intellectual Property Notice

All course materials including but not limited to the syllabus, course assignments, study guides, learning guides, online lecture videos and content, and lab book (i.e. course pack) are property of the instructor and University and may not be shared online or distributed in any manner to others. Students are prohibited from posting course materials or notes online and from selling notes to or being paid for taking notes by any person or commercial firm without the express written permission of the professor teaching this course. Doing so will constitute both an academic integrity violation and a copyright violation. Violations of copyright laws could subject you to civil penalties and criminal liability. Violations of academic integrity may subject you to disciplinary action under University policies.

Statement on Recording Classroom Interactions

University of Missouri System Executive Order No. 38 lays out principles regarding the sanctity of classroom discussions at the university. The policy is described fully in Section 200.015 of the Collected Rules and Regulations. In this class, students may make audio or video recordings of course activity unless specifically prohibited by the faculty member. However, the redistribution of audio or video recordings of statements or comments from the course to individuals who are not students in the course is prohibited without the express permission of the faculty member and of any students who are recorded. Students found to have violated this policy are subject to discipline in accordance with provisions of Section 200.020 of the Collected Rules and Regulations of the University of Missouri pertaining to student conduct matters.