

ECONOMICS 333 (Urban Economics): 2012-2013 Syllabus

Course Instructor: Peter Tomlinson Ph.D. (ptomlinson@rogers.com or peter.tomlinson@utoronto.ca).

Lecture Times: Tuesdays 6:10-9:00. Until early November classes will run two hours. After that, classes will run three hours, with the third hour allocated to exam review. In January, two hour classes will resume until reading week – again followed by three-hour classes with the third hour allocated to exam review. .

Office Hours for Peter Tomlinson: Wednesdays 3:30 – 5:00 pm Innis College café. There may be occasional re-scheduling, in which case an announcement will be posted on the web site – check for announcements if making a special trip.

Midterm Exam (grade weight 40%). The midterm exam will be held during the December exam week, which ends December 21. The exact date and time will be known when the exam timetable is posted (usually mid-October) by the Faculty of Arts and Science. Students must write the midterm exam unless circumstances entirely beyond their control prevent their doing so. Qualifying circumstances are as follows:

- Students registered in U of T half courses holding a final exam that conflicts with the midterm will be permitted to write a makeup exam (see below). Students requesting permission to write the makeup for this reason should submit their request by email no later than December 1. Students will be advised of required documentation by reply email.
- Students registered in U of T courses holding a midterm exam that conflicts with the midterm may be permitted to write a makeup exam (see below). Students requesting permission to write the makeup for this reason must submit their request by email no later than May 31. Students will be advised of required documentation by reply email.
- Students who are ill on the day of the midterm may be permitted to write a makeup exam (see below). In these cases, a U of T Medical Certificate will be required to document the illness. The certificate must be fully completed by an MD, with the doctor's OHIP registration number indicated. The certificate must also indicate that the doctor examined the student on the day of the midterm. Only original certificates (i.e. not photocopied or scanned) will be accepted. The process for submitting a medical certificate is noted in the Makeup Exam section below.

Makeup Exam (same 40 % grade weight as midterm). If scheduling permits, the makeup exam will be held during the December exam period. The exact date and time of the makeup exam will be announced when the December exam timetable is posted. The makeup is limited to students absent from the midterm exam in documented circumstances as noted above. Other circumstances, such as travel out of town do not qualify.

- Medical certificates should be submitted at the makeup exam. They should not be submitted to Economics Department staff or to the course instructor before then. In the unlikely event that a student forgets to bring his or her medical certificate to the makeup exam, it can be submitted at the first class in January. Regardless of whether a medical note is submitted at the makeup exam or later, a makeup exam written due to illness the day of the midterm will not be graded until the course instructor is satisfied that requirements for an acceptable medical certificate (as outlined above) have been met.

- Students missing both the midterm and makeup exams will receive a zero grade on their term work. There is no right to a second makeup. Requests to undertake an alternative form of term work will not be considered. Likewise, requests to shift the midterm / makeup grade weight to the final exam will not be considered.

Final Exam (grade weight 60 %). The final exam will be held during the April exam week, in accordance with Faculty regulations for final exams.

Course Content

Until February, the primary focus of the course will be on models of land market equilibrium. Readings will consist of notes posted on Course Documents (Portal web site), and on textbook readings referenced in those notes. Typically the web-site notes take a model outlined in the text as a starting point, and then extend that model in new directions. Models dealing with land market equilibrium are as follows:

- **Introductory Rectangular Land Market Notes.** The simple model considered here deals with simultaneous equilibrium in land and product markets. Endogenous variables include land rent at all locations in the land market, the location of the agricultural boundary, total output produced on land in the market, and output price.
- **General Equilibrium Notes.** Building on the rectangular land market model, the more complex model considered here deals with simultaneous equilibrium in land and labour markets. Endogenous variables include manufacturing and residential land rents at all locations in the land market, the location of the agricultural boundary and the equilibrium wage. “Open city” model assumptions are incorporated in this model (i.e. the utility level of residents is exogenously determined). Prior to considering the general equilibrium notes, the text book’s discussion of residential land markets (in Chapter 6 of the textbook) will be considered.
- **Factor Substitution Notes.** The model considered here analyzes the equilibrium ratio of floor area to land area in office buildings. This ratio (a proxy for building height) is one of the model’s endogenous variables. Other endogenous variables include equilibrium land rent at all locations in the land market. Also considered will be the impact on land rent of zoning policies that restrict building height.

The final part of the course (from February reading week until the end of classes) focuses on the role of local governments in production of local public goods. Readings here are in Notes on Urban Public Finance posted on course documents, and on text book readings cited therein. Emphasis will be on the Tiebout model of efficiency, with head taxes and property taxes assumed alternatively. The issue of efficient town population will be examined, and municipal consolidations (amalgamations) will be analyzed in that context.

If time permits an additional model to be considered, it will be added to the syllabus via an announcement on the web site.

The text book is *Urban Economics* by Arthur O’Sullivan. Students can choose among three editions (6th, 7th or 8th), since relevant material has not changed substantially from edition to edition.

