

## **ECONOMICS 333 (Urban Economics): Summer 2013 Syllabus**

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

Lecture Times: Tuesdays and Thursdays 1:10 – 4:00 and 6:10-9:00.<sup>1</sup> Afternoon lecture content will be repeated the evening of the same day. Based on past attendance patterns, students will be free to attend at their preferred time, regardless of their registration section.

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 (common to both sections) will be held from 2:00-5:00 pm on June 25 (Tuesday of exam / term-test week). 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 on the afternoon of June 25 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 June 19. Students will be advised of required documentation by reply email.
- Students registered in U of T courses holding a midterm exam on the afternoon of June 25 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 June 25 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 June 25. 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). The makeup exam will be held from 6:00 – 9:00 pm on June 27 (Thursday of exam / term test week). It is limited to students absent from the midterm exam in documented circumstances as noted above. Other circumstances, such as travel out of town on June 25, 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 in class July 2 in accordance with Arts and Science faculty regulations. 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.

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<sup>1</sup> Until early June classes will run two hours. After that, classes will run three hours, with the third hour allocated to exam review. In July, two hour classes will resume until mid-month – again followed by three-hour classes with the third hour allocated to exam review.

- 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 August 12-16 exam week, in accordance with Faculty regulations for final exams.

### Course Content

Until mid-July, 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 mid-July to last day 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.

The text book is *Urban Economics* by Arthur O'Sullivan. Students can choose among three editions (6<sup>th</sup>, 7<sup>th</sup> or 8<sup>th</sup>), since relevant material has not changed substantially from edition to edition. If time permits an additional model to be considered, it will be added to the syllabus via an announcement on the web site.