REAL 946 – Topics in Urban Economics

Tuesday 3.00-6.00. Room: JMHH 304

Instructor: Gilles Duranton
Room: SHDH 1470.
Email: duranton@wharton.upenn.edu
Web: http://real.wharton.upenn.edu/~duranton/index.html
Office hours: By appointment.

Objectives: This course will explore a range of topics related to current research in urban and regional economics: the modelling and estimation of agglomeration economies; the costs of cities and their internal structure with emphasis on land use regulations and transportation; amenities and the local supply of labour; the sizes and functions of cities. Both theory and empirics will be covered. Special attention will be devoted to building bridges with other fields including labour, international, public, IO, and development.
General issues:

1. This course hopes to achieve several objectives:
   - Provide you with substantive knowledge about the economics of cities and regions.
   - Foster your technical knowledge about a number of modelling aspects, econometrics techniques, and the link between the two.
   - Make you think critically (and hopefully creatively) about existing research.
   - Improve your ability to present complex research output in a clear and synthetic way.

2. The course builds on standard microeconomic theory (adapted to the complications introduced by space) and econometrics. Familiarity with standard first year microeconomics and empirical methods will be assumed. Given the range of problems that urban and regional economists face, no single empirical approach is expected to fully dominate.

3. The assessment will be made of:
   - One mid-term report for a research proposal (15%) due September 26 (week 5).
     [[Maximum 5 double-spaced pages]]
   - One "data" assignment (15%) due October 10 (week 7).
     [[Objective: to replicate the main results of a published paper]]
   - One critical evaluation of a paper (20%) due October 31 (week 10).
     [[Maximum 5 double spaced pages. I will propose a list but proposals from you are welcome.]]
   - One final report for a research proposal (35%) due at the end of term
     [[Establish a research question, briefly survey the relevant literature, discuss possible existing data to analyse the question, provide a research design and critically comment it. Preliminary data analysis may also be provided. Alternatively, research proposals for an applied theory paper are also possible. Research proposals need to be discussed with me beforehand.]]
   - Class participation (15%)
     [[In the second part of the course, many sessions will be organised around one or two papers. For each paper, the discussion should be led by one of us. The others are expected to have looked at the paper as well.]]

4. The data assignment and the research proposal will require the use of Stata.

5. Announcements and other related items will be emailed. Please stay up to date with the course. Most course materials (readings and data) will be posted on Canvas.

6. Class attendance is fundamental. A lot of what you will learn will be during the class and the class will strongly complement everything else.
Syllabus:

1. Agglomeration: Theory


2. Agglomeration: Empirics


IV:

Quasi-Experiments:

3. Agglomeration: Empirics part 2

Structural:


Identifying the sources of agglomeration:


4. Dispersion: Theory


5. Dispersion: Empirics


6. Dispersion: Empirics, part 2


7. Local labour supply and amenities: Theory


8. Local labour supply and amenities: Empirics


9. Systems of cities


10. Urban growth and Zipf’s law


11. Policy (in general equilibrium)


Background

12. Transportation


Background


13. Transportation in general equilibrium (theory/quantitative)


14. Land use regulation


15. Measurement and big data


16. Development: slums


17. Urban resilience?


Other possible topics:

- Neighbourhood and urban change (Couture and Handbury wp 2017, Baum-Snow and Hartley 2016. Guerrieri et al JPubEc 2013)
- Structural modelling of housing supply (Murphy wp 2016, Bayer etal E 2016).
- Land assembly and institutions (Libecap and Lueck JPE 2011, Brooks and Lutz unp 2013).
- Real estate and agglomeration (Liu, Rosenthal and Strange, ?)
- Microstructure of housing markets (Han and Strange JUE 2016, Diamon McQuade and Qian wp 2017)
- Innovation and cities