REAL 947: Advanced Real Estate and Urban Economics
Fall 2018
Fridays, 10:00am to 1:00pm, at SH-DH 116

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Introduction
This course covers fundamental topics in the broad fields of urban economics and real estate. The first part of the course focuses on the application of econometric methods to analyze important empirical issues, such as household sorting and valuation of public goods. The second part of the course examines economic modeling and empirical work of specific issues such as racial segregation, spatial equilibrium, provision of local public and private goods, housing supply, demand, financing, prices and cycles.

Requirements:
The course assumes that students have familiarity with standard first year econometrics and microeconomics.

Students should read all assigned articles before class. The articles are available on Canvas.

Grades
There will be three applied exercises in the first part of the semester. Late problem sets will not be accepted. The students will also present an original empirical research at the end of the semester. Topics and guidelines for the presentations will be discussed with the Professor during the semester. One-third of the final grade will be based on problem sets, and two-thirds on the final presentation.
**Topics and Reading List**

Part I: Econometric Tools and Selected Applications in Urban and Public Economics  
Part II: Racial Segregation, Spatial Equilibrium, Local Public and Private Goods, and Selected Housing Topics

**Part I:**

1. **Regression Analysis as a Statistical Tool and Causal Inference**  

   **Application: Do Neighborhoods Matter?**  

2. **Selection on Observables and Program Evaluation**  

**Application: Evaluation of Governmental Programs:**


### 3. Regression Discontinuity Design


**Application: Valuation of Investments in School Infrastructure:**

### 4. Selection on Unobservables


Application 1: Causes of Suburbanization

Application 2: Valuation of Air Quality

5. Discrete Choice Models

Application: Tiebout Sorting and Valuation of Schools and Neighborhoods:

Part II:

6. Residential Segregation and Discrimination

7. **Spatial Equilibrium Across Housing Markets**


8. **Local Governments**


9. **Provision of Other Local Public and Private Goods**


10. Housing

a. User Cost and Taxes


b. Prices


c. Housing Finance


d. Supply


11. Other Housing-Neighborhood Issues


