

**ECO333H1: URBAN ECONOMICS**  
**UNIVERSITY OF TORONTO, FALL 2019**

1. BASIC INFORMATION

Section L0101

- Lecture: Thursday 1:10–3:00PM in MP 134
- Tutorials: Friday 12:10–1:00PM in MP 134

Section L0201

- Lecture: Thursday 3:10–5:00PM in MP 134
- Tutorials: Friday 11:10AM–12:00PM in MP 134

Instructor: Jonathan Hall

Email: [jonathan.hall@utoronto.ca](mailto:jonathan.hall@utoronto.ca)

Office hours: Tuesday 4–5PM and Thursday 11AM–12PM in GE 356

Teaching assistants

- Catherine Luongo
- Thomas King
- Ian Herzog

TA office hours: Wednesday 4–5PM in GE40. There will be additional office hours the week of each exam.

Course websites

- Quercus: <http://q.utoronto.ca>
- Piazza: [piazza.com/utoronto.ca/fall2019/eco333](https://piazza.com/utoronto.ca/fall2019/eco333)

2. COURSE DESCRIPTION AND OBJECTIVES

In this course we will apply the tools you learned in your first and second year courses to understanding cities. By the end of this course, you will be able to

- Explain the fundamental economic forces causing cities to exist
- Explain the fundamental economic trade-offs driving urban spatial structure, and use this understanding to explain differences within and across cities
- Understand the key issues in urban transportation, be able to explain the trade-offs between different transportation systems, and analyze how different government policies affect mobility within cities
- Analyze how different government policies affect the housing market

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*Date:* August 19, 2022.

See the end of the syllabus for a detailed list of specific questions we will address in this course.

In addition, you will

- Improve your ability to use models to answer questions. This requires mastering the ability to translate back and forth between English and mathematics.
- Improve your ability to interpret tables and graphs.

### 3. TEXTBOOKS

All readings will be available online, and most will come from the textbooks below. Readings from O'Sullivan (2012) will be posted on Quercus. An electronic copy of the Brueckner book is available on the University of Toronto library website.

- O'Sullivan, Arthur. 2012 or 2006. Urban Economics. McGraw-Hill/Irwin. ISBN: 978-0073511474. <http://go.utlib.ca/cat/8600615>
- Brueckner, Jan. 2011. Lectures on Urban Economics. MIT Press. ISBN: 978-0262016360. <http://go.utlib.ca/cat/8211682> and <http://go.utlib.ca/cat/11366013>

### 4. APPROACH

This class is primarily lecture based, with some group discussion. The weekly tutorials are an opportunity for you to ask the teaching assistants any questions you have about the material. After an exam or homework assignment the teaching assistants will go over the answers in the tutorial.

### 5. REQUIREMENTS

**Prerequisites.** ECO200Y1/ECO204Y1/ECO206Y1. Prerequisites requirements are strictly enforced and I am not permitted to waive them.

### 6. POLICIES

**First rule of holes.** Stop digging and get help! Come see me, your college registrar's office, CAPS, or any of the other resources listed in Section 8.

**No glowing rectangles.** You are not allowed to have computers, tablets, phones, etc. out during class. A growing body of research finds that even when electronic devices are used in the best possible way they still lead to worse student outcomes.<sup>1</sup> Each time I see your computer, tablet, phone, etc. in class will be penalized by a one percentage point reduction in your final grade.

**Cold calling.** I will call on you to answer questions regardless of whether you have raised your hand. I do this for two reasons: to assess how well the entire class is understanding the material and to encourage the entire class to be engaged with the material.

**Communication: Piazza, Quercus, and Email.** In order to help me get to know you better, I prefer that you ask questions in class, after class, or during office hours; rather than electronically.

That said, there are often times where asking electronically is better. These questions should be asked using our class Piazza page at <https://piazza.com/utoronto.ca/fall2019/eco333/>. *Piazza's emphasis is on student-to-student Q&A*, and we, unfortunately, do not have the resources for the TAs and myself to answer every question. The TAs and I will periodically check Piazza to ensure proper usage, flag some postings, and possibly answer some questions. You are not required to use Piazza.

Questions that are personal in nature can be sent to me by email. Other questions should be asked in person or using Piazza. Emails *must* be sent from your official University of Toronto email address. I will respond to all emails within two business days.

I use the University's learning management system, Quercus, to post course information, announcements, and assignments. I expect you to either check Quercus, or set Quercus to email you notifications and check your email, at least once each business day.

**Accommodation.** I am willing to provide reasonable accommodations for a variety of reasons, including disability, health problems, religious observance, participation in an extra-curricular activity, death in the family, illness, or injury. I require a written request for an accommodation. If you need an accommodation for a disability you should register with Accessibility Services (<http://accessibility.utoronto.ca>).

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<sup>1</sup>See <https://www.brookings.edu/research/for-better-learning-in-college-lectures-lay-down-the-laptop-and-pick-up-a-pen/> for a recent summary.

*Missing an exam.* The most common accommodation request is to miss an exam. These requests must be sent by email, from your official University of Toronto email account, *before* the start of the exam. Your email must concisely explain why you missed the test, contain the statement "I understand that it is a punishable academic offense to present false or misleading information with my request for a make-up test" and close with your name and student number. I do not require a medical note.

Requests due to non-medical reasons must be received by the end of the second week of class.

For medical issues that last longer than a few days, you should consult with your college registrar.

The accommodation for missing an exam has two parts. First, in order to help you keep up to speed with the course material, you need to complete the missed exam as a homework assignment, due one week after the exam. Second, you will take a cumulative make-up exam on the Friday two weeks after the second midterm during the tutorial. Consistent with university policy, there is no make-up exam for the make-up exam. You will be allowed to review your make-up exam during office hours, but will not be able to keep a copy of the exam.

Final exams are handled by the Faculty of Arts and Sciences, and so you will need to follow their procedure if you need to miss the final exam. You can find this at <https://www.artsci.utoronto.ca/current/faculty-registrar/petitions/common-petitions>.

*Homework.* As an automatic accommodation for sickness, technical problems, etc. that impact your ability to complete the homework on time, your worst two problem sets or virtual tutorial responses will be dropped. There are no other accommodations made regarding the homework.

**Late homework.** Late homework will be assessed a 20 percentage point penalty, and is accepted up to two weeks after the due date.

**Appealing grades.** If you believe an assignment, quiz, or exam has been incorrectly graded, you may for it to be re-evaluated. For exams, instructions will be posted on Quercus about how to do so; for other assignments please email Professor Hall. You need to make this request as soon as possible after receiving the work back, and the request must be received within two weeks of the coursework being handed back. The entire work will be regraded and your grade may increase or decrease. I have this policy not to punish you for asking for a re-evaluation, but because notwithstanding all our efforts to achieve precision in grading, grading inevitably involves a degree of randomness and in regrading we wish to reduce the randomness (both in your favor and against) on all parts of

the work in order to come to a more precise measure of your true performance on the assignment. If after completing this process you still have a problem with any aspect of your grade, the overall grade appeal process under the university's policies remain available to you (see <http://www.governingcouncil.utoronto.ca/Assets/Governing+Council+Digital+Assets/Policies/PDF/grading.pdf>).

**No audio or video recordings.** You may not create audio or video recordings of classes, with the exception of those students requiring an accommodation for a disability, who must speak to me prior to beginning to record lectures.

**Exam rules.** We will follow the standard final exam rules for all course exams. For more details see <http://www.artsci.utoronto.ca/current/exams/reminder>.

For the exams, the only allowed test aid is a ruler. We will not use calculators for the exams.

**Academic Integrity.** All students, faculty and staff are expected to follow the University's guidelines and policies on academic integrity. For students, this means following the standards of academic honesty when writing assignments, collaborating with fellow students, and writing tests and exams. Ensure that the work you submit for grading represents your own honest efforts. Plagiarism—representing someone else's work as your own or submitting work that you have previously submitted for marks in another class or program—is a serious offence that can result in sanctions. Speak to me or your TA for advice on anything that you find unclear. To learn more about how to cite and use source material appropriately and for other writing support, see the U of T writing support website at <http://www.writing.utoronto.ca>. Consult the Code of Behaviour on Academic Matters for a complete outline of the University's policy and expectations. For more information, please see <https://www.artsci.utoronto.ca/current/academic-advising-and-support/student-academic-integrity> and <http://academicintegrity.utoronto.ca>.

**Copyright.** Course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Copyright Act, RSC 1985, c C-42. These materials are made available to you for your own study purposes, and cannot be shared outside of the class or "published" in any way. Lectures, whether in person or online, cannot be recorded without the instructor's permission. Posting course materials or any recordings you may make to other websites without the express permission of the instructor will constitute copyright infringement.

## 7. IMPORTANT DATES

- First midterm exam: Friday, October 4th, during tutorial. For the 1PM section the exam is in HA 403, for the 3PM section the exam is in RW 117.
- No class on November 7th due to reading week.
- Second midterm exam: Friday, November 1st, during tutorial. For the 1PM section the exam is in EX 310, for the 3PM section the exam is in RW 117.
- Final exam: Between December 7th–20th

## 8. RESOURCES

**Academic Success Centre.** <http://www.studentlife.utoronto.ca/asc>

**Accessibility Services.** <http://www.studentlife.utoronto.ca/as>

**Health & Wellness Centre.** <http://www.studentlife.utoronto.ca/hwc>

**College Registrars' offices.** <https://www.artsci.utoronto.ca/current/academic-advising-and-support/college-registrars-offices>

**English Language Learning.** <http://www.artsci.utoronto.ca/current/advising/ell>

**Office of Student Academic Integrity.** <http://www.artsci.utoronto.ca/osai>

**Rights & Responsibilities.** <http://uoft.me/rights>

**Writing help.** <http://www.writing.utoronto.ca/>

**Advice for thriving at university.**

- <http://www.vox.com/2015/1/7/7500705/college-advice>
- <http://www.vox.com/2014/6/24/5824192/study-smarter-learn-better-8-tips-from-memory-researchers>

## 9. GRADES

Grades will be based on

- 2 Midterm exams (40%)
- Comprehensive final exam (40%)
- Homework and quizzes (20%)

Final grades will automatically be curved up to ensure the median grade is at least a B-. Final grades will never be curved down.

**Midterm exams.** 40% of your final grade will come from your average on the midterms. *The midterms will be given during the tutorials on Friday, October 4th, and Friday, November 1st.*

The midterms are not cumulative, and primarily cover the material taught in class and via problem sets. Midterms will also cover the virtual tutorials and material in the assigned readings that were not covered in class. The first midterm covers material taught covered in weeks 1–4, and the second midterm covers material taught in weeks 5–8.

**Final exam.** 40% of your final grade will come from the final exam. The final exam will be given as scheduled by the Office of the Faculty Registrar. The final exam will be comprehensive, but will be heavily weighted towards the last third of the course.

**Homework and quizzes.** 20% of your final grade will come from your homework and quizzes.

There are two types of homework assignments: short responses to a podcast, video, or reading, as well as problem sets. For problem sets, eighty percent of your grade is based on completion, and the remaining twenty percent comes from grading one or two answers for correctness. I encourage you to work in groups on your problem sets. You should attend the tutorials to learn the correct answers to the problem sets.

Homework must be submitted online, as a single PDF. If you make multiple submissions, only the last will be graded. You can scan handwritten homework at the library or using a smartphone app such as Scannable, Dropbox, Scanbot, or Microsoft Office Lens.

There will be a quiz covering the syllabus and up to three additional quizzes during the semester. You may use your notes during all quizzes but should not discuss a quiz with others until everyone has taken it.

A quiz is worth double a problem set or virtual tutorial response.

As discussed in the section on accommodations, your worst two problem sets or virtual tutorial responses will be dropped.

For the purposes of academic integrity, the problem sets and tutorials within a given third of the course are considered as one. This means the typical penalty for cheating on a problem set is receiving a zero for all problem sets in that third of the course.

## 10. COURSE OUTLINE

Below is a list of topics and questions we will address in this course. This is subject to change. Reading assignments are posted at <https://tinyurl.com/eco333>.

### **Economic forces in the development of cities.**

- (1) Economic forces in the development of cities
  - (a) What is a city?
  - (b) How do we split urban areas into cities?
  - (c) What is urban economics?
  - (d) Why do cities exist? Why don't we all just live on large lots of land in rural Ontario? We could be self-sufficient and avoid all the hassles of city life.
  - (e) What determines where cities form?
  - (f) Why do industries cluster in a given city, or within the same area of a given city? To be more specific, why is Bay Street a thing? Wouldn't each of the financial firms be better off being in a smaller city away from each other? They would have less competition, could pay their employees less money due to lower cost of living, and have lower rent.
  - (g) How is technology changing our cities? How about lower communication and transportation costs?
  - (h) Why don't we all live in one big city?
    - (i) Are cities too big, too small, or just right?
    - (j) Why are cities different sizes?
- (2) Urban spatial structure
  - (a) What determines land use within a city?
  - (b) Why are buildings taller downtown than in the suburbs?
  - (c) Why are homes smaller downtown than in the suburbs?
  - (d) Why is Toronto's tallest building 50% taller than Montreal's tallest building?
  - (e) Why is Phoenix cheaper and less dense than Toronto?
  - (f) Is urban sprawl a problem?
  - (g) What should we do about urban sprawl?
  - (h) Why is there so much spatial segregation of ethnic, racial, and income groups?



- (3) Transportation
- (a) Why are our roads so congested and what can we do about it?
  - (b) If economists are such big fans of congestion pricing, why don't we see it more often in the real world?
  - (c) How could we implement congestion pricing so that it would make all road users better off?
  - (d) How should we pay for transportation infrastructure?
  - (e) Is there too much or too little parking?
  - (f) Is parking priced correctly?
  - (g) Will building new roads or train lines spark economic development?
  - (h) How should we decide whether to build public transit?
  - (i) How should we decide what kind of public transit to build?
  - (j) Should we subsidize the construction of new public transit?
  - (k) Should we subsidize the operating costs of public transit?
  - (l) Can the answer to those last two questions be different?
- (4) Housing
- (a) How do people decide whether to rent or buy a home?
  - (b) What are the effects of rent control?
  - (c) Who does rent control help?
  - (d) What causes gentrification and who gains and loses?
- (5) Local public goods and services
- (a) Why does the typical metropolitan area have dozens of municipalities?
  - (b) How should cities raise revenue?