

**ECON 4377, Section 21502  
URBAN ECONOMICS**

**(Class meets in-person TTh 11:30am-1:00pm at 129 Melcher Hall (MH))**

**OFFICE:** 201-H Teaching Unit 2 (TU2), 713-743-3799  
**email:** [jkohlhase@uh.edu](mailto:jkohlhase@uh.edu)  
**hours:** by appointment in person or via Zoom (send email request with course name & number plus topic in subject line)  
**web page:** <http://www.uh.edu/~kohlhase/>  
**CANVAS:** <https://canvas.uh.edu/> (password access)

**TA:** Hanieh Nasrollahi, a 3<sup>rd</sup> year graduate student in economics; office 53 Teaching Unit 2 (TU2); email [hnasroll@cougarnet.uh.edu](mailto:hnasroll@cougarnet.uh.edu). Office hours by appointment (in person or via TEAMS). To set up an appointment with her, send Hanieh an email request with course name & number plus topic in the subject line. TA office hours may be extended as the semester progresses.

**Overview:** In this undergraduate course you will learn about the economics of cities. First, we will discuss the economic advantages (and disadvantages) when competing activities locate in close proximity. Next, microeconomic decision-making by firms and consumers will be explored and the impact of those decisions on urban spatial structure within cities will be discussed. Differences between cities will be examined in terms of population, wages, and quality-of-life. The last part of the course covers selected urban problems and policies including transportation and congestion; housing markets; urbanization and climate change; and local public finance.

**Learning Outcomes:**

- Students will be able to use urban economic terminology and models appropriately and correctly.
- Students will be able to analyze and interpret quantitative data about the urban economy.
- Students will be able to organize and present material in a systematic framework based on urban economic models.

**LOGISTICS:** Urban economics will be face-to-face at 129 Melcher Hall (MH) TTh 11:30am-1pm. While most of my lectures will be delivered face-to-face, a few lectures may be delivered asynchronously online or synchronously online via Zoom depending on circumstances. To start the semester the TA will offer office hours by appointment in person or via Teams. As the semester progresses, she may offer office hours via TEAMS in a synchronous format. She may also offer a few synchronous/asynchronous sessions to review the problem sets and exams. Supplemental course material will be posted on the class CANVAS site.

What do you need to do to successfully participate in class? You should attend all in-person lectures if you are feeling well. You should also be prepared to participate in Zoom or Teams synchronous lectures and be able to view asynchronous lectures recorded in Zoom or Teams. So please download video conferencing software to your devices. I will most likely use Zoom; and the TA will most likely use Teams. You must have a stable internet connection, a webcam and a microphone attached to the device you are using so that you can participate in synchronous meetings.

**PREREQUISITES:**

The course requirements are that you have taken an intermediate microeconomics course (econ 3332) and data analysis/statistics class (econ 3320) at the college level or permission from me.

**Textbooks:** (B) Jan K. Brueckner, *Lectures on Urban Economics*, MIT Press, 2011, ISBN 978-0-262-01636-0 (*required*). *If you are participating in the UH CTAP program, pick up the textbook at the bookstore.*

(AM) Richard J. Arnott and Daniel P. McMillen, *A Companion to Urban Economics*, Blackwell, 2006. (*recommended*); we will read a few chapters from this book of readings.

(OS) Arthur O'Sullivan, *Urban Economics*, 9th edition, McGraw-Hill, Irwin, 2019 (*recommended*); we will read a few chapters from this and earlier editions.

**Other Readings:** Selected journal articles and/or book chapters will also be assigned during the semester and will be posted on Canvas (*Note*: chapters from the Brueckner text will NOT be posted on CANVAS).

**Course Evaluation:**

25%	Midterm Exam 1	(Thurs. Feb. 13, 2025, in class)
25%	Midterm Exam 2	(Tues. April 1, 2025, in class)
35%	Final Exam	(Tues. May 6, 2025, 12pm-2pm, in regular classroom)
15%	Homework Sets	(3-4 assigned throughout the term)

Exams are problem oriented and will have brief discussion and graphical analysis components. All exams are closed notes, closed book. Midterms cover a subset of materials whereas the final exam is comprehensive. **All exams, quizzes and problem sets are covered by the UH Honesty policy (see below).** Group problem sets up to *three* students are encouraged, and group composition does not need my prior approval. However, each student may only be in one group. All group members receive the same grade. All answers for exams, quizzes, and problem sets must be original to you and in your own words.

**Classroom Conduct:** I expect you to attend all classes and actively and politely engage in the discussions. I also expect you to arrive on time. Please turn off your mobile devices during class. Students are expected to abide by the University of Houston's Code of Student Conduct: (<http://www.uh.edu/dos/behavior-conduct/student-code-of-conduct/>)

**Academic Honesty:** To cultivate an environment of academic integrity, the University of Houston expects students to abide by the University's Undergraduate Academic Honesty Policy, found in the Undergraduate Catalog. <http://www.uh.edu/academic-honesty-undergraduate>. **All exams, quizzes, and problem sets are covered by the UH Honesty policy.**

## Required Information from the University of Houston

### Mental Health and Wellness Resources

The University of Houston has a number of resources to support students' mental health and overall wellness, including [CoogsCARE](#) and the [UH Go App](#). UH [Counseling and Psychological Services \(CAPS\)](#) offers 24/7 mental health support for all students, addressing various concerns like stress, college adjustment and sadness. CAPS provides individual and couples counseling, group therapy, workshops, and connections to other support services on and off-campus. For assistance visit [uh.edu/caps](http://uh.edu/caps), call 713-743-5454, or visit a [Let's Talk](#) location in-person or virtually. [Let's Talk](#) are daily, informal confidential consultations with CAPS therapists where no appointment or paperwork is needed.

### **Need Support Now?**

**If you or someone you know is struggling or in crisis, help is available. Call CAPS crisis support 24/7 at 713-743-5454, or the National Suicide and Crisis Lifeline: call or text [988](tel:988), or chat [988lifeline.org](https://988lifeline.org).**

### Title IX/Sexual Misconduct

Per the UHS Sexual Misconduct Policy, your instructor is a "responsible employee" for reporting purposes under Title IX regulations and state law and must report incidents of sexual misconduct (sexual harassment, non-consensual sexual contact, sexual assault, sexual exploitation, sexual intimidation, intimate partner violence, or stalking) about which they become aware to the Title IX office. Please know there are places on campus where you can make a report in confidence. You can find more information about resources on the Title IX website at <https://uh.edu/equal-opportunity/title-ix-sexual-misconduct/resources/>.

### Reasonable Academic Adjustments/Auxiliary Aids

The University of Houston is committed to providing an academic environment and educational programs that are accessible for its students. Any student with a disability who is experiencing barriers to learning, assessment or participation is encouraged to contact the Justin Dart, Jr. Student Accessibility Center (Dart Center) to learn more about academic accommodations and support that may be available to them. Students seeking academic accommodations will need to register with the Dart Center as soon as possible to ensure timely implementation of approved accommodations. Please contact the Dart Center by visiting the website: <https://uh.edu/accessibility/> calling (713) 743-5400, or emailing [jdcenter@Central.UH.EDU](mailto:jdcenter@Central.UH.EDU).

The [Student Health Center](#) offers a [Psychiatry Clinic](#) for enrolled UH students. Call 713-743-5149 during clinic hours, Monday through Friday 8 a.m. - 4:30 p.m. to schedule an appointment.

The [A.D. Bruce Religion Center](#) offers spiritual support and a variety of programs centered on well-being.

The [Center for Student Advocacy and Community \(CSAC\)](#) is where you can go if you need help but don't know where to start. CSAC is a "home away from home" and serves as a [resource hub](#) to help you get the resources needed to support academic and personal success. Through our [Cougar Cupboard](#), all students can get up to 30 lbs. of FREE groceries a week. Additionally, we provide 1:1 appointments to get you connected to on- and off-campus resources related to essential needs, safety, and advocacy, and more. The [Cougar Closet](#) is a

registered student organization advised by our office and offers free clothes to students so that all Coogs can feel good in their fit. We also host a series of cultural and community-based events that fosters social connection and helps the cougar community come closer together. Visit the CSAC homepage or follow us on Instagram: @uh\_CSAC and @uhcupbrd. YOU belong here.

### Women and Gender Resource Center

The mission of the [WGRC](#) is to advance the University of Houston and promote the success of all students, faculty, and staff through educating, empowering, and supporting the UH community. The WGRC suite is open to you. Stop by the office for a study space, to take a break, grab a snack, or check out one of the WGRC programs or resources. Stop by Student Center South room B12 (Basement floor near Starbucks and down the hall from Creation Station) from 9 am to 5 pm Monday through Friday.

### Academic Honesty Policy

High ethical standards are critical to the integrity of any institution, and bear directly on the ultimate value of conferred degrees. All UH community members are expected to contribute to an atmosphere of the highest possible ethical standards. Maintaining such an atmosphere requires that any instances of academic dishonesty be recognized and addressed. The [UH Academic Honesty Policy](#) is designed to handle those instances with fairness to all parties involved: the students, the instructors, and the University itself. All students and faculty of the University of Houston are responsible for being familiar with this policy.

### Excused Absence Policy

Regular class attendance, participation, and engagement in coursework are important contributors to student success. Absences may be excused as provided in the University of Houston [Undergraduate Excused Absence Policy](#) and [Graduate Excused Absence Policy](#) for reasons including: medical illness of student or close relative, death of a close family member, legal or government proceeding that a student is obligated to attend, recognized professional and educational activities where the student is presenting, and University-sponsored activity or athletic competition. Under these policies, students with excused absences will be provided with an opportunity to make up any quiz, exam or other work that contributes to the course grade or a satisfactory alternative. Please read the full policy for details regarding reasons for excused absences, the approval process, and extended absences. Additional policies address absences related to [military service](#), [religious holy days](#), [pregnancy and related conditions](#), and [disability](#).

### Recording of Class

Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the [Justin Dart, Jr. Student Accessibility Center](#). If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. The instructor may record classes. Students may use instructor's recordings for their own studying and notetaking. Instructor's recordings are not authorized to be shared with anyone without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.

## Other Recommended Information from the University of Houston

### Resources for Online Learning

The University of Houston is committed to student success and provides information to optimize the online learning experience through our [Power-On](#) website. Please visit this website for a comprehensive set of resources, tools, and tips including: obtaining access to the internet, AccessUH, Blackboard, and Canvas; using your smartphone as a webcam; and downloading Microsoft Office 365 at no cost. For questions or assistance contact [UHOnline@uh.edu](mailto:UHOnline@uh.edu).

### UH Email

Please check and use your Cougarnet email (ends in uh.edu) for communications related to this course. Faculty use their Cougarnet email to respond to course-related inquiries such as grade queries or progress reports for reasons of FERPA. To access your Cougarnet email, [login](#) to your Microsoft 365 account with your Cougarnet credentials. Visit [University Information Technology \(UIT\)](#) for instructions on how to connect your Cougarnet e-mail on a mobile device.

### Syllabus Changes

For a variety of reasons, the instructor may need to make modifications to the course syllabus and may do so at any time. Notice of such changes will be announced as quickly as possible through announcements on Canvas and via group emails to your [Cougarnet email account](#) (ends in uh.edu).

### Artificial Intelligence: Use only with acknowledgement

Students are allowed to use advanced automated tools (artificial intelligence (AI) or machine learning tools such as ChatGPT or Dall-E 2) on problem sets in this course only if that use is properly documented and credited. For example, text generated using ChatGPT-3 should include a citation such as: “Chat-GPT-3. (YYYY, Month DD of query). “Text of your query.” Generated using OpenAI. <https://chat.openai.com/>” Material generated using other tools should follow a similar citation convention. If the use of AI is not documented, the problem set may be scored as zero. AI is forbidden to be used on exams.

## Urban Economics Course Outline\*

*Most readings are required. Optional readings are indicated by a superscript "T"*

Topic	Description	Readings—required unless otherwise indicated
1.	<b>Introduction:</b> What is urban economics? How do we measure cities?	Glaeser, <i>Triumph of the City</i> , 2011, "Introduction," pp. 1-15. OS-1 ( <i>Introduction</i> ) AM-3 ( <i>The First Cities</i> ) <sup>T</sup>
	---Review (on your own) tools of microeconomics	OS—24 <sup>T</sup> ( <i>Models of Microeconomics</i> )
2.	<b>Why do cities exist?</b>	B-1, OS-3 ( <i>Trading and Factory Towns</i> )
3.	<b>Firm location and cities</b>	
	a. Clustering of firms & agglomeration economies	B 1.3, 1.5.1.6 OS-4 ( <i>Why do firms cluster?</i> ) AM-1( <i>The Micro Empirics of Agglomeration Economies</i> )
	b. Transport costs and firms	B-1.4, OS-5 <i>Where Do Cities Develop?</i>
4.	<b>Cities in a regional economy.</b>	
	Why are cities varied sizes?	OS-7 ( <i>Cities in a Regional Economy</i> )
	b. Urban labor markets	OS-8 ( <i>The Urban Labor Market</i> )  Beeson & Groshen "Components of City-Size Wage Gaps," <i>Economic Review Fed. Reserve Bank of Cleveland</i> , 1991.
5.	<b>Resource allocation near and within cities</b>	
	a. Land use in a monocentric city	B-2
	1. Historical background—agricultural land rent	OS-10 ( <i>Introduction to land rent</i> )
	2. Firms and urban land rent	OS-10 ( <i>Land Rent and Manufacturing Land</i> ) OS-11 ( <i>Office Space and Tall Buildings</i> ) only parts 1 & 4

Topic	Description	Readings
	3. Consumers and urban land rent	B-2
		AM-6 ( <i>Monocentric Cities</i> )
		AM-8 ( <i>Testing for Monocentricity</i> —omit section 8.3.2)
	b. Land use in polycentric and decentralized cities	B-3.1—3.4; handout on non-monocentric cities
	c. COVID & Cities	Duranton & Handbury (2023), <i>Economic Policy Review</i> vol.29(2)--only pp. 6-16 &21; vanNieuwerburg (2023) <i>Real Estate Econ.</i> vol.-- only pp. 7-20
6.	<b><i>Urban transportation issues—road congestion</i></b>	B-4.3.2; B-5
7.	<b><i>Urban Housing Issues</i></b>	
	a. Externalities in housing markets	Kohlhase handout on Superfund sites impact on housing markets
	b. Housing demand and tenure choice	B-6
	c. Housing policies	B-7
8.	<b><i>Urbanization and Climate Change</i></b>	Glaeser, <i>Triumph of the City</i> , 2011, Ch. 8, “Is There Anything Greener than Blacktop?”  Glaeser & Kahn, “The Greenness of Cities: CO2 Emissions and Urban Development,” <i>Journal of Urban Economics</i> , vol. 67, 2010, pp. 404-418. <sup>T</sup>
9.	<b><i>Local public goods and services</i></b>	B-8

10.	<b><i>The future of US cities and cities around the world</i></b>	<p>Glaeser and Kohlhase, "Cities, Regions and the Decline in Transport Costs," <i>Papers of the Regional Science Association</i>, vol. 83, 2004, pp.197-228.</p> <p>Kohlhase, "The New Urban World 2050: Perspectives, Prospects and Problems," <i>Regional Science Policy and Practice</i>, vol. 5(2), June 2013, pp.153- 165.</p>
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\*NOTE: Journal articles and non-B book chapters are posted on Canvas; a few additional readings may be assigned during the course. As instructor, I reserve the right to alter the course topics, readings and policies during the course and will announce changes in class, post on Canvas and send group emails to your UH exchange email address (ends in uh.edu). Students are expected to be aware of all the changes presented by the instructor during the course.

### **Selected websites covering urban economics and policy**

Brookings Institute— <https://www.brookings.edu/topics/cities-communities/>

Washington DC think-tank has a cities and communities center

Urban Institute-- <https://www.urban.org/>

Washington DC think-tank solely concerned with cities

Center for Public Policy-- <https://uh.edu/hobby/cpp/>

University of Houston Hobby School research center on  
local and state policy issues

Kinder Institute for Urban Research-- <https://kinder.rice.edu/>

Think tank at Rice University often focuses on Houston issues

Greater Houston Partnership-- <https://www.houston.org/>

Local chamber of commerce focuses on the economics of the 12-county Houston  
region

Blog on urban and environmental economics-- <http://greeneconomics.blogspot.com/>

Commentary by USC professor of economics, Matt Kahn on current issues