**HE3013 Urban Economics**  
[Pre-requisites: HE201 / HE9092 and HE204A / HE204B]

**Prospectus**

This course studies urban spaces from an economist’s perspective. Why do cities exist, and what are the benefits – and costs – of organizing economic and social activity in close proximity? Students taking this course will apply intermediate microeconomic theory and micro-econometrics to the analysis of cities and urban problems. Students will also be expected to understand and interpret contemporary empirical economic research into urban problems. Fundamental contributions from other social sciences and disciplines to the study of urban economic activity may also be discussed.

In line with the course’s objectives, students will be assessed based on a course project involving some basic applied research, and a final examination testing knowledge and application of theory and concepts.

**Instructor**

Dr. Walter Theseira, HSS-04-49, wetheseira@ntu.edu.sg  
Tel: 9868 0453 (urgent matters only, please)  
Consultation Hours: Tuesdays, 9.30am – 10.30am (Day of Lecture) or other times by appointment.

**Course Outline (Tentative)**

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Readings</th>
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<tbody>
<tr>
<td>1; 13th Jan</td>
<td>Introduction; Why Do Cities Exist?</td>
<td>O’Sullivan, Ch. 1, 2</td>
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<tr>
<td>2; 20th Jan</td>
<td>Clustering and Agglomeration Economies</td>
<td>O’Sullivan, Ch. 3</td>
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<td>3; 27th Jan</td>
<td>Urban Size and Growth</td>
<td>O’Sullivan, Ch. 4, 5</td>
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<td>4; 4th Feb</td>
<td>The Land Rent Model</td>
<td>O’Sullivan, Ch. 6</td>
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<td>5; 10th Feb</td>
<td>Land Usage Patterns</td>
<td>O’Sullivan, Ch. 7</td>
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<td>6; 17th Feb</td>
<td>Spatial Choices and Neighborhood Effects</td>
<td>O’Sullivan, Ch. 8</td>
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<td>7; 24th Feb</td>
<td>Spatial Policies and Urban Planning</td>
<td>O’Sullivan, Ch. 9</td>
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**Recess Week**

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Readings</th>
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</thead>
<tbody>
<tr>
<td>8; 10th Mar</td>
<td>Urban Transport and Policy</td>
<td>O’Sullivan, Ch. 10, 11</td>
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<tr>
<td>9; 17th Mar</td>
<td>Urban Transport and Policy</td>
<td>O’Sullivan, Ch. 10,</td>
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Learning Objectives

1. To understand how to model, analyze, and interpret economic activity in spatial terms.
2. To understand the economic factors behind the existence, evolution, and growth of cities.
3. To understand the economic causes and consequences of key urban challenges and the policy responses to those challenges, inter alia, urban transportation and housing markets.
4. To be able to read and interpret contemporary applied research on urban economics topics.

Learning Outcome

Students will be able to apply the principles of microeconomic theory and analysis to the study of urban issues. Students will understand contemporary empirical research on urban issues. These skills will prepare students for conducting research on urban issues and topics as well as for professions involving urban policy planning and analysis, real estate development and analysis, or business development in urban areas.

Student Assessment

50% Course Project
50% Final Examination

Textbooks/References

Primary:

HT321.S85 (various years); HSS Library, Business Library

Background Reading:


Papers (roughly in order of use in class)


