

Spring 2013  
DUKE UNIVERSITY  
Department of Economics

**Economics 345/554: URBAN ECONOMICS**

<http://sites.duke.edu/urbaneconomics/>

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1. **Course description.** This course will analyze issues of spatial economics, including why cities are formed, patterns of residential and business location, models of housing market segregation, business location, and urban population "explosions" in developing countries. The course begins with an overview of the monocentric city model, explaining patterns of population density, commuting, and housing values. This course will emphasize **real estate and financial aspects of the housing market**. A second major theme of this course will be the **economy of Durham**, and the underlying residential and commercial patterns. My current research interests center on the **economics of trailer parks and real estate and suburbanization in transition economies**, so you'll learn more about those topics than in a conventional course.
2. **Prerequisites:** Econ 201. Introductory econometrics (Econ 208) will be extremely useful. Working knowledge of differential and integral calculus, econometrics, and Excel is necessary.
3. **Texts.** There is one required text. My (voluminous) class notes will be posted on Sakai. These are intended to be supplemental, and are neither a perfect substitute for class nor the readings.
  - John F. McDonald and Daniel P. McMillen. 2010. *Urban Economics & Real Estate*. Ed. 2. Malden, MA: Blackwell. (required)

I also expect you to buy and read on your own:

- Michael Lewis. 2010. *The Big Short*. New York: Norton.

Worth downloading:

- Gary Burtless and Janet Rothenberg Pack, Eds. 2002-2009. *Brookings-Wharton Papers on Urban Affairs*. Washington, DC: Brookings (BWPUA 2005). <http://muse.jhu.edu/journals/urb/>
- Bruce Katz and Robert Lang, Eds. 2003. *Redefining Urban and Suburban America: Evidence from Census 2000, Vol. 1*. Washington, DC: Brookings.
- J. Vernon Henderson, 2004 *North-Holland Handbook of Urban and Regional Economics, Vol. 4*. The papers can be downloaded from <http://www.econ.brown.edu/faculty/henderson/handbook.html>.

4. **Duke Reader Project:** This year, Econ 345/554 will be participating in the Duke Reader Project <http://dukereaderproject.org/courses/urban-economics/>. It is not mandatory, but should be useful, both from the standpoint of improved writing and improved content. Briefly, those who participate will be paired with an external alumnus/a professional who will read critically the content of papers and blog postings, which requires:
5. **Course home page and blog:** One of the best ways to learn is from each other, which can be stimulated by setting up an open home page <http://sites.duke.edu/urbaneconomics/> on which you can quasi blog by submitting **edited** assignments. Duke Readers can respond (thereby helping larger numbers of students, as many will have similar issues); so can classmates and – gasp! – members of the community. You will be expected to post (1) a brief comment from your overview; (2) at least one of the literature survey or technical presentation, and (3) at least one of the Durham paper or term paper. The fact that some of your work will be public means that you need to think *very* carefully about the content: I don't want to scare you, but rather see this as a mechanism to help improve the caliber of your work. However, there will be an editorial process: all postings will be reviewed by the Blog Tsarina after they are submitted and prior to being posted live for the entire world to review.
6. **Honor code and course policies.** Failure to acknowledge assistance on an assignment, or to cite a source of information used in an assignment, or to represent the work of others as your own, violates the University's honor code. Any violations may result in failure of the assignment or the course, or expulsion from the University. Any exam missed for a non-legitimate reason will be accorded the grade of 0. Any exam missed for a legitimate reason will be made up with an oral exam as soon as EcoTeach can schedule it.

**Late work** will be penalized by 1/3 grade point per day late (excluding Sundays).

**Assignments must be submitted via Sakai.** An electronic and a hard copy of the term paper must be submitted to the instructor.

**Standard formatting** for regular text material shall be as follows: 1-inch margins top/bottom/left/right; 1.5 line spacing; extra space between paragraphs; Garamond 12 font; right hand justification for main text. References and footnotes should be single space (with space between individual citations) and Garamond 11 font. Assignments and term papers that have not gone through a basic spell and grammar check will not be accepted. Files attached with viruses will be deleted and not regarded as submitted; if for some reason the virus gets through and infects one of my computers, you will receive a grade of 0 for the assignment.

7. **Grading and assignments.** The grades will be determined as weighted averages of exam and homework performances:

Durham overview	5%	January 21
Literature survey and technical presentation (10% each)	20%	February 4
		February 25
Durham paper	20%	March 25
Research project/term paper	35%	April 22
Final examination <sup>1</sup>	10%	May 4

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<sup>1</sup> I reserve the right to cancel the final, or to give those with GPAs above an as yet unspecified level the right not to take the final, in which case the final presentation will count for 10% of the total grade.

Home page comments and class participation

10%

The **essays/presentations** include (1) an untrained overview of Durham, (2) a brief literature survey on a policy topic of interest, with dissemination via Blackboard to the entire class and the course site, (3) a technical presentation (disseminated as above): short but detailed presentation of a formal (*i.e.*, mathematical or statistical) spatial economic model, or pertinent statistical technique, and (4) an analysis of an urban policy issue relevant to Durham. Topics must receive the instructor's approval.

The **term paper** is expected to be 15-20 pages in length plus tables, on a topic of the student's choice, but subject to instructor approval. The paper is expected to involve [a] original empirical or theoretical research (required of students in Econ 554), or [b] a comprehensive survey a topic, and provide policy analysis in light of recent data and research. However, I will push strongly for all students to undertake original empirical work, regardless of whether or not it makes use of sophisticated statistical techniques.

The **final examination** will be comprehensive, but will have a Durham focus.

6. **Focus: Durham – initial assignment and final exam.** One of the purposes of this course is to give you a much deeper understanding of the community in which you are at least temporarily living; I also want to remove the abstractness of the course topic. To tie it in, your first and last assignments (the last being the final exam) will focus on Durham.

In the first, I simply want you to visit 11 sites in Durham and observe. For each one, write up notes (a paragraph on each except for one, which should be a bit more in depth – say 2-3 paragraphs) on what strikes you about the street, neighborhood or commercial area (one block in all directions of the point identified). When you observe, do so as an economist – think about how well lawns are maintained, the value of vehicles relative to structures, the density of the area, the degree of homogeneity ... and what these might imply.

This assignment should only be a total of 3-5 pages, but it will be time consuming, because you have to travel all over Durham. How you do it is part of the assignment. If you don't have a car or bicycle, you can rent a bike over at Durham Cycles on 9<sup>th</sup> St. You should choose 11 of the 29 sites listed below, but be aware that credit will be given for diversity of selection.

The locations are:

- S. Alston Ave, from Riddle to Lawson + E. Lawson from Roxboro to Briggs
- E. Pettigrew, from Roxboro to Ellis
- Junction Rd., from Holloway to Geer
- Cornwallis Road, from start (Mt. Hermon Church) to Fayetteville
- Geer St., from Morris to Cheek
- Kent St., from Chapel Hill to University Drive
- Cole Mill Rd. and Stoneybrook
- Northgate Mall
- Downtown loop
- Alston Drive, from Cecil to Geer
- Fayetteville and NC 54 (three blocks in all directions)
- South St. from Apex to University Dr.
- Roxboro, from Pettigrew to Old Oxford Rd.

Stoneybrook Drive, from Cole Mill Rd. to Carver  
 Foster St., from Washington to Chapel Hill Rd.  
 Ridge Rd., from Cornwallis to Pickett  
 Old NC 10/Old Hillsboro Rd. from route 70 to Mount Hermon Church Rd.  
 Cheek Rd., from Geer to Falls Lake  
 Club Blvd., from Hillandale to E. Geer  
 Bivins St (entirety)  
 E. Main, from Roxboro to Guthrie  
 Roxboro-Club-Acadia-Lavender loop  
 NC Central University and surrounding area  
 Weaver St., from Cornwallis to Theresa  
 American Tobacco Trail  
 S. Miami, from East End to Cornwallis  
 Rte. 751 from I-40 to Fayetteville  
 Parkwood neighborhood  
 Old North Durham neighborhood

Notes:

- You should be able to do this in half a day.
- I recommend going in daylight.
- I recommend going with one other person and discussing what you see. Take lots of pictures but don't overwhelm me (see below).
- If driving, do not park in a bad neighborhood and take notes. This makes you look like an inexperienced undercover police officer.
- International students *must* pair with an American student.
- The TA and web tsarina are international students: some of you should volunteer to take them.
- I can tell if you do this via Google maps.
- Photos are useful: I don't want dozens from each site, but one or two used to illustrate key points would be fine.

The final exam also will focus on some of the communities listed above. But, this time I will prepare some specific questions in advance, and allow you to come to the final with a notebook on these locations. The exam will ask you to apply specific theoretical models to explain the patterns you observe, and also will have you compare these patterns to empirical findings from other cities.

7. **Focus: Durham – paper.** This is a short paper of 6 to 8 pages (plus tables and references) in which you are to address a spatial feature or policy issue related to Durham, subject to my approval. Ideally, the paper will involve data analysis and address an issue of policy interest; it will also include a discussion of past patterns or policy decisions. Recent topics range from analyses of the determinants of commercial property prices/rental rates to determinants of housing values in Durham and Orange Counties to analysis of trends in racial segregation to analysis of patterns of new housing starts and residential density to an analysis of the impact of the Durham jail's site for downtown expansion.
8. **Visiting speakers and class conduct.** In addition to learning about Durham and the Triangle region, we will have many visiting speakers. On days with visitors, you will be responsible for getting material not covered in class from my on-line lecture notes. In general, I will plan to lecture on formal models

or when rapidly surveying a literature, but otherwise will be leading discussions. This means that you need to be prepared to contribute.

9. **Course outline:** As we come to each topic, I will give an updated a list of required and optional readings. The McDonald and McMillen text is the core, and you should read it. You are also responsible for everything covered in my notes. If that material is technical, I will cover it in class, and not expect you to cover much else. If it is not terribly technical from the standpoint of theoretical difficulty, I will expect you to read one or more of the optional readings, and be prepared to discuss it in class. **I will expect your papers, blog contributions, and classroom remarks to reflect the readings (including *The Big Short*).**

Wednesday January 9	Introductory Lecture: Why do cities exist?
Monday January 14	Stylized facts and patterns II: central place theory Visiting speaker: Mitchel Gorecki (spatial autocorrelation in online advertising campaigns)
Monday January 21	[no class, but assignment still due] <b>Assignment 1 (Durham overview) due</b>
Monday January 28	Land rent and urban structure Land use in the monocentric and modern cities
Monday February 4	Agglomeration and other economies Land use controls, zoning, and the Tiebout model Visiting speaker: Bob Ashley, Editor, <i>Durham Herald-Sun</i>
Thursday February 7	<b>Assignment 2 (literature survey) due</b>
Monday February 11	Household sorting, search costs, and segregation More models
Monday February 18	Real Estate Law, Institutions, and Markets (demand and supply) Mobile homes <b>Durham paper topic and outline due</b>
Monday February 25	Real estate asset valuation, development, and investment <b>Assignment 3 (technical article presentation) due</b>
Monday March 4	Sub-prime mortgages and other financial issues
Monday March 18	Sub-prime mortgage crisis II: macro effects and consequences
Monday March 25	Housing booms and busts Local governments, property rights, and local economic development <b>Assignment 4 (Durham research paper or policy analysis) due</b>
Monday April 1	<i>International</i> real estate topics Property rights in developing countries and other local government issues <b>Term paper topic, outline, and dataset due</b>
Monday April 8	Autos, highways, and congestion Mass Transit Visiting speaker: Joshua Mendelsohn, central place theory and networks
Monday April 15	Business location and the core model of spatial economics City and business location II: economic development strategies
Monday April 22	Urban growth in BRICS and developing countries Labor markets and migration in developing countries <b>Assignment 5 (term paper final version) due</b>
Saturday May 4	<b>Final Exam</b> 7:00 – 10:00 PM

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**Course outline and lots of literature**

As we come to each topic, I will give an updated a list of required and optional readings. You should regard the following more of a starting bibliography than a reading list. The most important papers are starred (\*) and highlighted. Others are optional and good choices for your technical review.

You should also see this list as a guide, rather than something you are expected to master. The McDonald and McMillen text is the core, and you should read it. You are also responsible for everything covered in my notes. If that material is technical, I will cover it in class, and not expect you to cover much else. If it is not terribly technical from the standpoint of theoretical difficulty, I will expect you to read one or more of the optional readings, and be prepared to discuss it in class. Finally, I should note that many of the topic delineations (and hence reading assignments) are rather arbitrary. Don't worry about it: as the semester progresses, earlier pieces will fit into the topics we are discussing. The structure as presently designed is one that bounces back and forth, gradually building technical models during the course of the semester, rather than providing half a semester of grueling models, followed by policy and implications. I think you'll enjoy this mixed approach more.

**Overview: thinking of cities from an economic perspective**

Introductory Lecture: Why do cities exist?

- McDonald & McMillen, Chs. 1-3. \*
- Richard Arnott and Daniel McMillen, Eds., 2006, *A Companion to Urban Economics*. Malden, MA: Blackwell; part I (chapters 1-4).
- Glaeser, Edward, 2005, "Reinventing Boston: 1630-2003," *Journal of Economic Geography* 5(2): 119-154.

Stylized facts and patterns I: big and small cities

- Edward Glaeser. 1998. "Are cities dying?" *Journal of Economic Perspectives* 12(2). \*
- Bruce Katz and Robert Lang, Eds. 2003. *Redefining Urban and Suburban America: Evidence from Census 2000, Vol. 1*. Washington, DC: Brookings. Chapters TBA.
- J. Vernon Henderson and Anthony Venables, 2008, "The dynamics of city formation," Cambridge, MA: NBER *working paper* 13769.
- Michaels, Guy, Ferdinand Rauch, and Stephen Redding, 2012, "Urbanization and structural transformation," *Quarterly Journal of Economics* 127(2): 535-586.
- Buonanno, Paolo, Francesco Drago, Roberto Galbiati, and Giulio Zanalla, 2011, "Crime in Europe and the US: dissecting the "reversal of misfortunes," unpublished ms.
- Guerrieri, Veronica, Daniel Hartley, and Erik Hurst, 2012, "Within-city variation in urban decline: the case of Detroit," *American Economic Review* 102(3): 120-126.
- Glaeser, Edward, Joshua Gottlieb, and Kristina Tobio, 2012, "Housing booms and city centers," *American Economic Review* 102(3): 127-133.

#### Stylized facts and patterns II: central place theory

- McDonald & McMillen, Ch. 4 and 5 \*
- Kenneth Rosen and Mitchell Resnick. 1980. "The size distribution of cities: an examination of the Pareto law and primacy." *Journal of Urban Economics* 8: 165-186.

#### Stylized facts and patterns III: urban economic growth

- McDonald & McMillen, Chs. 22.\*
- Gavin Wright. 1987. "The economic revolution in the American south." *Journal of Economic Perspectives* 1(1): 161-178.
- Jordan Rappaport, 2005. "The shared fortunes of cities and suburbs," *Federal Reserve Bank of Kansas City Economic Review* 2005 Third Quarter: 33-60, <http://sbmt.bsu.by/news/indexru.htm>; data set also available.
- Jordan Rappaport, 2007, "Moving to nice weather," *Regional Science & Urban Economics* 37: 375-398.
- William H. Frey and Kao-Lee Liaw, 2005. "Migration within the United States: role of race-ethnicity," *BWPUA* 2005: 207-248.
- Edward Glaeser and Kristina Tobio, 2007, "The rise of the sunbelt," Cambridge, MA: Harvard University, Department of Economics, *HIER discussion paper no. 2135*.

### Economic Models of Cities

#### Land rent and urban structure

- McDonald & McMillen, Ch. 6\*
- Edwin Mills and Bruce Hamilton. 1989. *Urban Economics* (Ed 4). Glencoe, IL: Scott-Foresman, Appendix A "Simplified mathematical model of urban structure." \*
- Kenneth Small and S. Song. 1994 (November). "Population and employment densities: structure and change." *Journal of Urban Economics*: 292-313.

#### Land use in the monocentric and modern cities

- McDonald & McMillen, Chs. 7-8\*
- Richard Arnott and Daniel McMillen, Eds., 2006, *A Companion to Urban Economics*. Malden, MA: Blackwell; chapters 5-6.
- Jan Brueckner, J-F Thisse, and Yves Zenou. 1999. "Why is central Paris rich and downtown Detroit poor? An amenity-based theory." *European Economic Review* 43: 91-107.\*
- Edward Glaeser and Giacomo Ponzetto, 2007, "Did the death of distance hurt Detroit and help New York?" Cambridge, MA: NBER *working paper* 13710.
- Alain Bertaud and Stephen Malpezzi, 2003, "The spatial distribution of population in 48 world cities: Implications for economies in transition," Madison, WI: University of Wisconsin, Center for Urban Land Economics Research, unpublished ms.
- Thomas Nechyba and Randall Walsh, 2004. "Urban sprawl," *Journal of Economic Perspectives*, 18(4): 177-200.
- Edward Glaeser, Matthew Kahn, and Chenchuan Chu. 2001. "Job sprawl: employment location in US metropolitan areas." *Brookings Institution Survey Series* (May): 1-8.
- Andrew Plantinga and Stephanie Bernell, 2007, "The association between urban sprawl and obesity: is it a two-way street?" *Journal of Regional Science* 47(5): 857-879.
- Matthew Turner, 2006, "A simple theory of smart growth and sprawl," *Journal of Urban Economics* 61: 21-44.
- J. Vernon Henderson and Arindam Mitra. 1996. "The new urban landscape: developers and edge cities." *Regional Science & Urban Economics* 26: 613-643.
- Stephen LeRoy and Jon Sonstelie. 1983. "Paradise lost and regained: transportation innovation, income, and residential segregation." *Journal of Urban Economics* 13: 67-89.



- Edward Glaeser and Janet Kohlhase, 2003, “Cities, regions, and the decline of transport costs,” Cambridge, MA: Harvard University, Department of Economics, *HIER discussion paper no. 2014*.

#### Agglomeration and other economies

- McDonald & McMillen, Chs. 22-23. \*
- Gordon Hanson. 2001. “Scale economies and the geographic concentration of industry.” *Journal of Economic Geography* 1: 255-276.
- Edward Glaeser and Albert Saiz, 2004. “The rise of the skilled city,” in William Gale and Janet Rothenberg Pack, Eds. *Brookings-Wharton Papers on Urban Affairs 2004*. Washington, DC: Brookings. \*
- Joseph Gyourko, Christopher Mayer, and Todd Sinai, 2006 (June), “Superstar cities,” Philadelphia, PA: University of Pennsylvania, Wharton School, NBER *working paper 12355*.
- Yannis Ioannides, Henry Overman, Esteban Rossi-Hansberg, and Kurt Schmidheiny, 2007, “The effect of information and communication technologies on urban structure,” Munich: CESifo *working paper 2049*.
- Paolo Epifani, 2005, “Heckscher-Ohlin and agglomeration,” *Regional Science & Urban Economics* 35: 645-657.
- Shihe Fu, 2007, “Smart café cities: testing human capital externalities in the Boston metropolitan area,” *Journal of Urban Economics* 61: 86-111.
- Joshua Drucker and Edward Feser, 2007, “Regional industrial dominance, agglomeration economies, and manufacturing plant productivity,” Washington, DC: US Bureau of the Census, Center for Economic Studies, *working paper CES 07-31*.
- Sabrina Di Addario and Eleonora Patacchini, 2007, “Wages and the city: evidence from Italy,” Milan: University of Milan Department of Economics, Centro Studi Luca d’Aglianoi, *development studies working paper no. 231*.
- Baum-Snow, Nathaniel, and Ronni Pavan, 2012, “Understanding the city size wage gap,” *Review of Economic Studies* 79: 88-127.

#### Land use controls, zoning, and the Tiebout model

- McDonald & McMillen, Ch. 14. \*
- William Fischel, 2004, “An economic history of zoning and a cure for its exclusionary effects,” *Urban Studies* 41(2): 317-340. \*
- Charles Tiebout. 1956. “A pure theory of local expenditures.” *Journal of Political Economy* 64: 416-24. \*
- Casey Dawkins and Arthur Nelson, 2002, “Urban containment policies and housing prices: an international comparison with implications for future research,” *Land Use Policy* 19: 1-12.
- Paul Thorsnes and John Reifel, 2007, “Tiebout dynamics: neighborhood response to a central-city/suburban house-price differential,” *Journal of Regional Science* 47(4): 693-719.
- Theodore Crone, 2006 (August), “Capitalization of the quality of local public schools: what do home buyers value?” Philadelphia, PA: Federal Reserve Bank of Philadelphia, *working paper no. 06-15*.
- Edward Glaeser and Joseph Gyourko, 2002, “The impact of zoning on housing affordability,” Cambridge, MA: Harvard University, Department of Economics, *HIER discussion paper no. 1948*.
- Edwin Mills, 2006, “Sprawl and jurisdictional fragmentation,” in William Gale and Janet Rothenberg Pack, Eds. *Brookings-Wharton Papers on Urban Affairs 2006*. Washington, DC: Brookings, pp. 231-256.
- Thomas Nechyba, 2003. “School Finance, Spatial Income Segregation and the Nature of Communities,” *Journal of Urban Economics* 54(1), 61-88, July.
- Raquel Fernandez and Richard Rogerson, 1997, “Keeping people out: income distribution, zoning, and the quality of public education,” *International Economic Review* 38(1): 23-42.
- Patacchini, Eleonora and Yves Zenou, 2009, “Urban sprawl in Europe,” *Brookings-Wharton Papers on*

*Urban Affairs*, pp. 125-149.

## US Racial Housing Segregation and housing demand

Household sorting, search costs, and segregation

- McDonald & McMillen, Chs. 9-10. 17-21. \*
- D.M. Chambers. 1992 (September). "The racial housing price differential in racially transitional neighborhoods." *Journal of Urban Economics*: 214-232.
- J.B. Cullen and Steven Levitt. 1999. "Crime, urban flight, and the consequences for cities." *Review of Economics & Statistics* 81: 159-169. \*
- Helen Ladd. 1998. "Evidence on discrimination in mortgage lending." *Journal of Economic Perspectives* 12(2).\*
- Stephen Ross, Margery Austin Turner, Erin Godfrey, and Robin Smith, 2008, "Mortgage lending in Chicago and Los Angeles: a paired-testing study of the pre-application process," *Journal of Urban Economics* 63: 902-919.
- Patrick Bayer, Hanming Fang, and Robert McMillan, 2005, "Separate when equal? Racial sorting and residential segregation," New Haven, CT: Yale University, Department of Economics, unpublished ms. \*
- R. Alan Walks and Larry S. Bourne, 2006, "Ghettos in Canada's cities? Racial segregation, ethnic enclaves and poverty concentration in Canadian urban areas," *Canadian Geographer* 50(3): 273-297.
- Paul Courant, 1978, "Racial prejudice in a search model of the urban housing market." *Journal of Urban Economics* 5: 329-345. \*
- Bo Zhao, 2005. "Does the number of houses a broker shows depend on a homeseeker's race?" *Journal of Urban Economics* 57(1): 128-147.
- Alicia Munnell, LE Browne, J. McEaney, and GMB Tootell. 1996 (March). "Mortgage Lending in Boston: interpreting HMDA data." *American Economic Review*: 25-53. \*
- Casey Dawkins, 2007, "Space and the measurement of income segregation," *Journal of Regional Science* 47(2): 255-272.
- Tara Watson, 2006, "Metropolitan growth, inequality, and neighborhood segregation by income," in William Gale and Janet Rothenberg Pack, Eds. *Brookings-Wharton Papers on Urban Affairs* 2006. Washington, DC: Brookings.
- Rucker C. Johnson. 2006, "Landing a job in urban space: the extent and effects of spatial mismatch," *Regional Science & Urban Economics* 36: 331-372.
- Christian Hilber and Yingchun Liu, 2008, "Explaining the black-white homeownership gap: the role of own wealth, parental externalities and locational preferences, *Journal of Housing Economics* 17: 152-174.\*
- David Cutler, Edward Glaeser, and Jacob Vigdor, 2008, "When are ghettos bad? Lessons from immigrant segregation in the United States," Cambridge, MA: Harvard University, Department of Economics *HIER discussion paper no. 2152*.
- Gregory Fairchild, 2007, "Ecological succession via gentrification: the response of incumbent entrepreneurs," Charlottesville, VA: University of Virginia, Darden Business School *working paper no. 1019574*.
- Fahui Wang, 2007, "Job access in disadvantaged neighborhoods in Cleveland, 1980-2000: Implications for spatial mismatch and association with crime patterns," *Cityscape* 9(3).
- Sarah Reber, 2007, "School desegregation and educational attainment for blacks," Cambridge, MA: NBER *working paper 13193*.
- Collins, William and Katherine Shester, 2013, "Slum clearance and urban renewal in the United States," *American Economic Journal: Applied Economics* 5(1): 239-273.

- Baum-Snow, Nathaniel and Byron Lutz, 2011, "School desegregation, school choice, and changes in residential patterns by race," *American Economic Review* 101: 3019-3046.
- Bayer, Patrick, Hanming Fang, and Robert McMillan, 2011, "Separate when equal: racial inequality and residential segregation," unpublished ms.
- Caetano, Grigorio and Vikram Maheshri, 2012, "School segregation and the identification of tipping points," unpublished ms.

#### More models

- Alex Anas, Richard Arnott, and Kenneth Small. 1998 (September). "Urban spatial structure." *Journal of Economic Literature*: 1426-1464.
- N. Gregory Mankiw and David Weil, 1989, "The baby boom, the baby bust, and the housing market," *Regional Science & Urban Economics* 19: 235-258. Also see critics and their response in volume 21.
- John Metzger, 2000, "Planned abandonment: The neighborhood life-cycle theory and national urban policy," *Housing Policy Debate* 11(1): 7-40.
- Keith Ihlanfeldt, 2005 (November), "The effect of land use regulation on housing and land prices," Tallahassee: Florida State University, Department of Economics, unpublished ms.

## Real Estate

### Real Estate Law, Institutions, and Markets (demand and supply)

- McDonald & McMillen, Chs. 11-13. \*
- Michelle White. 1986. "Property taxes and urban housing abandonment." *Journal of Urban Economics* 20: 312-330. \*
- Edward Glaeser and Jesse Shapiro, 2002, "The benefits of the home mortgage interest deduction," Cambridge, MA: Harvard University, Department of Economics, *HIER discussion paper no. 1979*.
- Richard Arnott and Daniel McMillen, Eds., 2006, *A Companion to Urban Economics*. Malden, MA: Blackwell; chapters 9, 12, 13, 14.
- Edward Glaeser, Joseph Gyourko, and Raven Saks 2005, "Urban growth and housing supply," Cambridge, MA: Harvard University, Department of Economics, *HIER discussion paper no. 2062*.
- Richard Arnott, 2006, "Effects of property taxation on development timing and density," in William Gale and Janet Rothenberg Pack, Eds. *Brookings-Wharton Papers on Urban Affairs 2006*. Washington, DC: Brookings.
- Tom Hertz, *et al.*, 2007, "The inheritance of educational inequality: international comparisons and fifty-year trends," *B.E. Journal of Economic Analysis & Policy* 7(2) (Advanced: article 10)
- Terra McKinnish, Randall Walsh, and T. Kirk White, 2008, "Who gentrifies low income neighborhoods?" Washington, DC: US Bureau of the Census, Center for Economic Studies *discussion paper CES 08-02*.
- John Quigley and Stephen Raphael, 2004, "Is housing unaffordable? Why isn't it more affordable?" *Journal of Economic Perspectives* 18(1): 129-152.
- Scott Susin, 2002, "Rent vouchers and the price of low-income housing" *Journal of Public Economics* 83: 109-152.
- Ilho Yoo and Inhyouk Koo, 2008, "Do children support their parents' application for reverse mortgages? A Korean case," Seoul: Korean Development Institute *working paper 08-03*.
- Erling Røed Larson and Steffen Weum, 2008, "Testing the efficiency of the Norwegian housing market," *Journal of Urban Economics*, in press.
- David Sims, 2007, "Out of control: what can we learn from the end of Massachusetts rent control?" *Journal of Urban Economics* 61: 129-151.
- Robert Helsley and William Strange, 2008, "A game-theoretic analysis of skyscrapers," *Journal of*

**Urban Economics 64: 49-64.\***

- Xudong An, Raphael Bostic, Yongheng Deng, and Stuart Gabriel, 2007, "GSE loan purchases, the FHA, and housing outcomes in targeted, low-income neighborhoods," *Brookings-Wharton Papers on Urban Affairs*, pp. 205-256.
- Dwight Jaffee and John Quigley, 2007, "Housing subsidies and homeowners: what role for government-sponsored enterprises?" *Brookings-Wharton Papers on Urban Affairs*, pp. 103-149.
- Michael LaCour-Little, 2007, "The home purchase mortgage preferences of low- and moderate-income households," *Real Estate Economics* 35(3): 265-290.

Mobile homes

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