Housing and the Urban Economy

Larry Rosenthal

Fall 2006

Public Policy 275
Business Administration 286
City Planning 234

Introduction

This course considers the economics of urban housing and land markets from the viewpoints of investors, developers, public and private managers, and consumers. It considers the interactions between private action and public regulation—including land use policy, taxation, and government subsidy programs. We will also analyze the links between primary and secondary mortgage markets, securitization, and liquidity. Finally, the links between local housing and related markets—such as transportation and public finance—will be explored.

The course presupposes a working knowledge of microeconomics and a reasonable familiarity with technical concepts. Intermediate microeconomics at the standard of professional school training will be the level of discourse.

Reading List

The reading list includes a set of five or so articles and background readings for each session, framing lectures and classroom discussions. Optional items, denoted as “Further Reading,” are truly optional. In general, these additional items are intended for those who want a deeper understanding or an extended illustration of the issues discussed in class. The reading list in HTML can be downloaded from the instructor’s course page. The website is http://urbanpolicy.berkeley.edu/urbanecon.htm.

Students enrolled in the course will receive a password which will allow them to download all required readings, and most of the optional ones, from any UC Berkeley address.

A reader containing all required course articles and readings (in multiple volumes) may be obtained from Odin Readers, on sale at Ned's Bookstore, 2480 Bancroft Way (phone: 204-0900), or via Odin's website, http://www.odinreaders.com (for on-line purchase; reader is shipped to you via mail, Fed Ex or UPS).

Grades

Grades for the course will be determined by a three-hour closed book final exam (40 percent), class participation (10 percent), a short in-class presentation (20 percent) and a term paper (30 percent). The scope of the written assignments will be described in separate handouts to be distributed during the term.
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READING LIST

Aug. 31  The Economic Role of Cities: Growth and Dispersion


Further Reading:


Cityscape, 1(1), 1994, (Special Issue).


Sept. 7  Land Rent, Land Use, and Urban Form


Further Reading:


Sept. 14  The Structure of Urban Housing Markets


Further Reading:


Sept. 21  **Residential Segregation and Housing Market Discrimination**


**Further Reading:**


Sept. 28  Urban Transport, Neighborhoods and Housing Markets


Further Reading:


Oct. 5  Federalism, and the Economics of Local Government


Further Reading:


Oct. 12  Education Markets and Housing Markets


Further Reading:


Housing Investment, Consumption and the Mortgage Market


**Further Reading:**


Taxes and Housing


Further Reading:


Nov. 9  Government Housing Policy: National


**Further Reading:**


Government Housing Policy: Local

Nov. 16


Further Reading:


**Can Housing be Made “Affordable”?**

Edward M. Gramlich, “Subprime Mortgage Lending,” Financial Services Roundtable


**Further Reading:**


*Cityscape*, 3(2), 1997, Special Issue in honor of Don Terner.


