

Urban economics

Level : Bachelor – 3rd year

Track: Regional Analysis

Semester: 5

Teaching hours: 18 hours

Teaching language: English

Lecturer : Nelly EXBRAYAT

Contact : nelly.exbrayat@univ-st-etienne.fr

Course's objectives:

The aim of this course is to provide a rigorous overview of how economic theory models the location choices of households and firms within urban areas. Students will develop a solid understanding of the concept of spatial equilibrium and its central role in explaining both intra-urban structure and differences across cities. The course begins with the analysis of the monocentric city model and its main extensions, highlighting how housing markets and commuting costs shape residential location decisions and urban spatial structure. It then introduces the Roback model to analyze the role of amenities, with a focus on inter-city migration, wage and rent differentials, and firm location choices. In the final part of the course, we examine how urban economic models can be extended to incorporate key urban issues, including environmental quality, residential segregation and criminality.

Lesson plan :

Chapter I: Stylized facts on urbanization, development and the system of cities

Chapter III: The monocentric model

Chapter IV: Extensions of the monocentric model

Chapter V: The role of amenities and inter-city migration: the Roback model

Chapter VI: Theoretical insights on residential segregation, environmental issues and crime in urban areas

Skills developed :

At the end of the course, you will be able to:

- describe the main stylized facts about cities in rich or developing countries;
- define and use the concept of spatial equilibrium, at different spatial scales
- solve a residential choice model and use it to explain stylized facts about the internal structure of cities;
- analyze compensation mechanisms at the city and inter-city level that arise following a local shock
- discuss the main public policy issues at urban or metropolitan level.

Grading system :

Written exam at the end of the course

Prerequisites :

Microeconomics I, II and III.

References :

J. Brueckner (2011). Lectures on Urban economics. MIT press

A. O'Sullivan McGraw-Hill (2018). Urban Economics 9th edition

P. McCann (2013). Modern Urban and Regional Economics, Oxford University Press.

E. L. Glaeser (2011). Triumph of the City, Macmillan, Londres.



Fujita, Thisse (2013). Economics of Agglomeration: Cities, Industrial Location, and Globalization. Cambridge University Press