Syllabus
AREC 455 – Economics of Land Use
Fall 2012

Professor David Newburn
Office: 2222A Symons Hall
Phone: (301) 405-8042
Email: dnewburn@arec.umd.edu
Office Hours: Tuesday 12:15-1:15 pm and Thursday 12:15-1:15 pm

Teaching assistant: TBA
Office:
Phone:
Email:
Office Hours:
Instructional Hour:

Lecture Time: Tuesday and Thursday 11:00 AM – 12:15 PM
Location: Symons Hall 0200
Prerequisites: Intermediate microeconomics (ECON 306 or equivalent)

Course Description
This course will examine the market forces that influence location decisions for firms and households in space. We will analyze how these location decisions cumulatively shape the spatial structure of cities and land prices. Furthermore, we will study how government decisions on property taxes and zoning regulations influence land prices and land-use patterns. The objective is to understand the basic economic concepts and tools needed to analyze land markets across the continuum of urban, suburban, and rural areas. We will also cover applied topics related to the link between the environment and land use, including green buildings, smart growth policies, land conservation, and land use impacts on the Chesapeake Bay.

Course Objectives
1) To provide an overview of the theoretical principles, policy instruments, and current practice of using economics in understanding land markets.
2) To understand the market system, the externalities causing market failure, and the mechanisms to correct for externalities.
3) To apply economic tools for evaluating land-use policies.
Readings
There is a course pack sold at the Reckord Armory Building. The course pack has required readings based on Chapter 3 (pages 35-65) and Chapter 4 (pages 65-79) in the following textbook:

Requirements and Grading
Students are expected to attend and participate during class lectures. Grades will be assigned based on the following:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Class assignments</td>
<td>30%</td>
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<tr>
<td>Quizzes</td>
<td>15%</td>
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<tr>
<td>Class participation</td>
<td>10%</td>
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<tr>
<td>Midterm exam</td>
<td>20%</td>
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<tr>
<td>Final Exam</td>
<td>25%</td>
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In fairness to all students, no late assignments will be accepted (or exams given) without a written medical excuse from your doctor or other official university excused absence. Also, I cannot alter exam dates. They are not flexible, so please make your travel plans and other commitments accordingly.

The Americans with Disabilities Act: The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a documented disability requiring an accommodation, please contact me as soon as possible.

Religious Observances: It is the student’s responsibility to inform the instructor of any intended absences for religious observances in advance.

Academic Integrity: The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards for academic integrity at Maryland for all undergraduate and graduate students. As a student you are responsible for upholding these standards for this course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information on the Code of Academic Integrity or the Student Honor Council, please visit [http://www.shc.umd.edu](http://www.shc.umd.edu).
COURSE OUTLINE
This outline is not complete or final, but we will cover most of the following topics:

**Introduction to urban economics**

**Market forces in the development of cities**

**Land rents and land-use patterns**
*Urban land markets: The monocentric city model*
DiPasquale and Wheaton Chapter 3 (only pp. 35-56)

*Urban sprawl and multi-centered cities*


**Hedonic analysis**
*Housing and heterogeneity*
DiPasquale and Wheaton Chapter 4 (only pp. 65-79)


**Green buildings**
Guest lecture, Jason Westrope, Development Management Associates

Video on green building in e2 design series: “The Green Apple” and “China: From Red to Green?”

**The role of local government on land markets**
*Impact fees, property taxes, and land markets*

*Public goods, externalities, and zoning regulations*

**Smart Growth policies in Maryland**
**Transferable development rights (TDRs)**

**Land use, water quality and the Chesapeake Bay**

Chesapeake Bay Total Maximum Daily Load (TMDL) Executive Summary.

Phase 5.3 Watershed Model Overview

Blunk, K., T. Borisova, C. Abdalla, and D. Parker. 2006. “A primer on water quality credit trading in the Mid-Atlantic Region.”