

**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:

Denise DiPasquale and William Wheaton. 1996. Urban Economics and Real Estate Markets (first edition), Prentice Hall.

## Requirements and Grading

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

Class assignments	30 %
Quizzes	15 %
Class participation	10 %
Midterm exam	20 %
Final Exam	25 %

*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>.

## **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**

Glaeser, E. 1998. "Are cities dying?" *Journal of Economic Perspectives* 12(2):139-160.

#### **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*

Hanlon, B. and T. Vicino. 2007. "The fate of inner suburbs: evidence from metropolitan Baltimore." *Urban Geography* 28(3): 249-275.

Mieszkowski, P. and E. Mills. 1993. "The cause of metropolitan suburbanization." *Journal of Economic Perspectives* 7(3): 135-147.

Brueckner, J. 2000. "Urban sprawl: causes and remedies." *International Regional Science Review* 23(2): 160-171.

#### **Hedonic analysis**

*Housing and heterogeneity*

DiPasquale and Wheaton Chapter 4 (only pp. 65-79)

Leggett, C. and N. Bockstael. 2000. "Evidence of the effects of water quality on residential land prices." *Journal of Environmental Economics and Management* 39: 121-144.

#### **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*

Nelson, A., M. Poirier-Elliott, and T. Debo. 1989. "Impact fee program for Fulton County, Georgia." *Journal of Urban Planning and Development* 115(1): 18-32.

*Public goods, externalities, and zoning regulations*

Fischel, W. 2004. "An economic history of zoning and a cure for its exclusionary effects." *Urban Studies* 41(2): 317-340.

*Smart Growth policies in Maryland*

Knaap, G. and J. Frece. 2007. "Smart growth in Maryland: Looking forward and looking back." *Idaho Law Review* 43(2): 445-473.

*Transferable development rights (TDRs)*

McConnell, V., E. Kopits, and M. Walls. 2006. "Using markets for land preservation: Results of a TDR program." *Journal of Environmental Planning and Management* 49(5): 631-651.

**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."

Smith, K. and M. Weinberg. 2006. "Measuring the success of conservation programs." *Amber Waves* Volume 4 (July): 14-21.