

ECP 3617: Land Use, Housing, and Government Regulation
Syllabus, Spring 2017

Instructor: Samuel R. Staley, Ph.D.
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Class Times: T/R, 5:15 pm to 6:30 pm
Location: BEL 204
Office Hours: T/R, 2:00 pm to 5:00 pm

Readings and Texts

Required:

- William A. Fischel, *Zoning Rules! The Economics of Land Use Regulation* (Lincoln Institute of Land Policy, 2015), ISBN: 978-1-55-844288-4
- John A. Allison, *The Financial Crisis and the Free Market Cure* (McGraw-Hill, 2012), ISBN 978-0-07-180677-0
- SimCity, Versions 3 or 4. (Version 5.0 or higher requires consulting the instructor)

Additional readings available through blackboard and via the Internet.

Course Overview and Objectives

This course uses economic theory to analyze urban land and housing markets in an applied, interdisciplinary framework. After developing the theoretical framework and tools necessary for such analysis, students will use economic models to examine current issues in housing and land economics. Students will be expected to apply these theories to understand the development of a city using the SimCity video game based on parameters established in class. Specific attention is given to the housing industry roots of the Great Recession, including the role economic geography plays, and current attempts at reforming housing markets and finance. Topics include: the market for housing services, externalities, housing finance, federal regulation and mortgage finance, zoning and land use regulation, affordable housing and property taxation. Prior coursework in basic statistics, mathematics, microeconomics, and macroeconomics will be assumed.

By the end of this class, students will be able to

- Understand and apply economic theory to the causes of urban growth and the spatial location of economic activity;
- Understand and apply fundamental theories of housing location and finance;
- Critically analyze the factors that lead to urban development and growth;
- Understand the spatial dynamics of land use and economic value;
- Articulate the relationship between economic theory and the built environment;
- Present ideas and research through effective oral communication.

Grading Policy & Scale

This course will use a standard grading scale to evaluate student performance: A (4.0), A- (3.7), B+ (3.3), B (3.0), B- (2.7), C+ (2.3), C (2.0), C- (1.7), D (1.0), and F (0.).

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The following criteria are generally applied to determining grades for papers:

- A = Superior performance. The paper has a clearly articulated and organized argument without fundamental or minor errors in analysis. The paper is well written and arguments grounded in and building on facts, evidence, and course concepts.
- B = Above average. A well articulated paper that thoughtfully and completely incorporates theory and evidence to make a consistent argument grounded in course concepts. No fundamental errors are evident.
- C = Average. Papers in this range are organized, well articulated and use fundamentally sound arguments, but suffer from minor errors and inadequate support.
- D = Below Average. Papers below average typically suffer from fundamental flaws in argument, lack evidence to support the main points, fail to incorporate principal theories and evidence, and are poorly written.

The class grade will be determined by a weighted average for the follow specific assignments and exams:

- Paper #1: Windshield Survey 15%
- Reading presentation(s) 10%
- Paper #2: Review of Allison 15%
- SimCity Presentation 10%
- Paper #3: SimCity Paper 20%
- Class Participation 30%

Attendance and Participation

This class is designed to maximize student input and interaction. While not mandatory, attendance is highly encouraged. Performing well is very difficult without attending class and participating in the discussions since they are designed to integrate theories, principles, and applications. Obviously, attendance is essential to earning points for Class Participation.

Papers

You will be expected to complete three (3) papers for this class. Additional details will provided in class, but a thumbnail summary of each paper is provided below.

- A “windshield survey” is a field technique used to collect information about a community or neighborhood through observation, usually by automobile or bus. Starting in downtown Tallahassee, students should follow a major road (e.g, Mahan, Thomasville, Monroe, W. Tennessee, etc.) until they reach rural land. Their observations about land use, building types, density, infrastructure, perceived demographics, quality neighborhoods, etc. should be synthesized in a 6-8 page paper (double spaced, typed, with graphics). The paper should consist of conclusion parts: Introduction, objective description of land use, analysis and discussion with references to readings and resources, conclusion. Students will have an opportunity to revise their paper based on comments from the instructor.
- The review of Allison’s *The Financial Crisis* should consist of 6-8 page analytical paper that includes a discussion of Allison’s point of view as author, 2-3 arguments that Allison

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seems to make well, and 2-3 arguments that seem implausible or poorly stated. The paper should have an introduction and conclusion, be presented in the narrative form (not outline or bulleted), and cite references and readings where appropriate.

- The SimCity paper should summarize the development of a city using this computer game, versions 3 or 4. Do **not** use Version 5 without permission of the instructor. The paper should outline the city's stages of development according to guidelines provided in class **and** integrate major themes, theories, and concepts discussed in class. The final paper should also include relevant references from class readings. This simulation and the "lessons learned" will provide the primary substance of your presentations in class. **WARNING:** Start this simulation early; this is not a project that can be completed in the final week of class. Students new to the game typically find that they need to start 2-3 cities before they are able to successfully "grow" one large enough to meet the class requirements.

Papers should be typed, double spaced, use 12 point font size, and have 1-inch margins. Papers should have a title, and a header and footer that explicitly identifies the author, the subject of the paper, **class**, date and page number. All references should be sourced using the author/date reference system (e.g., (Staley 2008, p. 12)) with complete references in a separate section at the end of the paper listed by last name of the author using the *Chicago Manual of Style* as a guide. Students are encouraged to use websites such as www.citethisforme.com or wikipedia to ensure they use proper citation styles. Late papers will be penalized 5% per day. **Incorporating words, or ideas of third parties without proper citation is unethical and considered plagiarism, and grounds for an immediate "F" and dismissal from the course.**

File Naming Protocol

Please name all electronic files using the following protocol:

3617SmithJoanna[project]

Where the name is your name followed by the project, so that [project] would be replaced by the specific assignment, such as "windshieldsurvey," "windshieldsrevision," "simcity," etc. For presentations, indicate that the file is a presentation, such as "Blairchap3presentation" or "Greenhomeownershippresentation."

Reading Presentations

Students will be expected to make at least one oral presentation during the semester, depending on the size of class. Each presentation will consist of two parts: a 5-minute formal presentation using powerpoint that summarizes an assigned article, chapter, or selection from the reading list, and a 5-minute Q&A from the class. Students will be graded on their ability to present the key material in the readings **and** their ability to respond to questions from the audience about the readings. The presenter will be expected to manage the Q&A.

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All students in the class are expected to ask pertinent and relevant questions about the readings and participate in the discussion. A significant portion of the student's class participation will be based on their participation in the Q&A sections of these oral presentations.

Academic Honesty

Cheating, plagiarism, and other forms of academic dishonesty will not be tolerated. The Florida State University Academic Honor Policy outlines the University's expectations for the integrity of students' academic work, the procedures for resolving alleged violations of those expectations, and the rights and responsibilities of students and faculty members throughout the process. Students are responsible for reading the Academic Honor Policy and for living up to their pledge to ". . . be honest and truthful and . . . [to] strive for personal and institutional integrity at Florida State University." (Florida State University Academic Honor Policy, found at <http://dof.fsu.edu/honorpolicy.htm>.)

American Disabilities Act Statement

Students with disabilities needing academic accommodations should: 1) Register with and provide documentation to the Student Disability Resource Center (SDRC); and 2) Bring a letter to the instructor from the SDRC indicating that you need academic accommodations and what type. Please do this within the first week of class.

NOTE: Updates to the course material, changes in expectations, and modifications to assignments, required readings, and other elements of this course will be communicated via blackboard. Please consult this regularly.

KEY DEADLINES

- Tuesday, **January 31st**, Windshield survey paper due by midnight
- Thursday, **February 23rd**, Revision of windshield survey dy by midnight.
- Tuesday, **March 28th**, Allison book review due by midnight
- Friday, **April 28th**, SimCity papers due by noon

COURSE OUTLINE

Week 1: Introduction to cities

Week 2: Understanding urban growth

Week 3: Economic growth & metropolitan real estate markets

Week 4: Metropolitan real estate markets

Week 5: Urban land rents & transportation

Week 6: Urban land & housing markets

Week 7: Housing markets & differentiation

Week 8: Firm location, market areas & competition

Week 9: Housing market booms, busts & bubbles

Week 10: SPRING BREAK

Week 11: SimCity presentations

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- Week 12:** SimCity presentations
- Week 13:** SimCity presentations
- Week 14:** SimCity presentations
- Week 15:** SimCity presentations
- Week 16:** FINAL EXAM WEEK

SELECTED COURSE READINGS

Anas, Alex, Richard Arnott, and Kenneth Small (1998) "Urban Spatial Structure," *Journal Of Economic Perspectives*, Vol. 36, No. 3 (September), pp. 1426-1464.

Bartaud, Alain (2004) "The Spatial Organization of Cities: Deliberate Outcome or Unforeseen Consequence?" May 2004, unpublished manuscript.

Batty, Michael (2008) "The Size, Scale, and Scope of Cities," *Science* Vol. 319, No. 5864, (February), pp. 769-771.

Blair, John P., *Urban and Regional Economics* (Richard Irwin, 1991)

Bogart, William T. (2006) *Don't Call It Sprawl: Metropolitan Structure in the Twenty-First Century* (Cambridge University Press), Chapters 4 & 5, pp. 39-88

Florida, Richard (2009) "How the Crash Will Reshape America," *The Atlantic* (March), <http://www.theatlantic.com/magazine/archive/2009/03/how-the-crash-will-reshape-america/7293>

Florida, Richard (2011) "The 25 Most Economically Powerful Cities in the World," Citylab (TheAtlantic, September 14, 2011, <http://www.citylab.com/work/2011/09/25-most-economically-powerful-cities-world/109/>

Fredrik Andersson, Simon Burgess & Julian Lane (2007) "Cities, Matching, and the Productivity Gains of Agglomeration," *Journal of Urban Economics*, Vol 61, pp. 112-128.

Glaeser, Edward (2005) "Urban Colossus: Why is New York America's Largest City?" Harvard Institute of Economic Research, Discussion Paper No. 2073, June 2005.

Green, Richard K. (2005) "Homeownership, Social Outcomes, Tenure Choice, and U.S. Housing Policy, paper prepared for Housing Policy in the New Mellenium," U.S. Department of Housing and Urban Development, March 29, pp. 127-138, <http://www.huduser.org/portal/publications/pdf/brd/05Green.pdf>

Quigley, J. M. and Raphael, S. (2004) "Is Housing Unaffordable? Why Isn't It More Affordable?" *Journal of Economic Perspectives*, 18(1): 191-214.

Sirmans, G. Stacy and David A. Macpherson (2003) "The Composition of Hedonic Pricing Models: A Review of the Literature," National Center for Real Estate Research, National Association of Realtors, December.

Greenspan, Alan (2009) "The Fed Didn't Cause the Housing Bubble," *Wall Street Journal*, March 11.

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U.S. Government Accountability Office (2011) *Mortgage Reform: Potential Impacts of Provisions in the Dodd-Frank Act on Homebuyers and Mortgage Market*, Washington, DC, July, GAO-11-656, <http://www.gao.gov/new.items/d11656.pdf>