



Exchange programme Vrije Universiteit Amsterdam

Vrije Universiteit Amsterdam - Exchange programme Vrije Universiteit Amsterdam - 2024-2025

Exchange

Vrije Universiteit Amsterdam offers many English-taught courses in a variety of subjects, ranging from arts & culture and social sciences, neurosciences and computer science, to economics and business administration.

The International Office is responsible for course approval and course registration for exchange students. For details about course registration, requirements, credits, semesters and so on, please [visit the exchange programmes webpages](#).

Urban Economics and Real Estate

Course Code	E_MFRE_UERE
Credits	6
Period	P2
Course Level	300
Language Of Tuition	English
Faculty	School of Business and Economics
Course Coordinator	prof. dr. J.N. van Ommeren
Examiner	prof. dr. J.N. van Ommeren
Teaching Staff	T.G. Vu, prof. dr. H.R.A. Koster, prof. dr. J.N. van Ommeren
Teaching method(s)	Lecture, Study Group

Course Objective

This course in Urban and Real Estate Economics addresses the relationship between urban land, real estate and economic development. It links economic theory to urban and real estate issues, and it links real estate to a broader context of urban growth and economic development. Insights are developed through studying theoretical models and by considering practical examples of the issues at hand.

The following topics are likely covered: (1) Why cities exist, (2) Urban spatial structure, (3) Land use and urban planning, (4) Housing, (5) Housing policies, (6) Local public goods and services, (7) Green cities, (8) Crime, (9) Cities in the Global South.

With respect to each topic the student should be able to define and describe it and to understand the economic theory as well as the empirical (econometric) analysis of the topic.

Course Content

Because of technological change (rail, road, air, internet) the cost of connecting across space have declined sharply, which should have made it less attractive for people to cluster together in cities. Yet by many measures, cities are thriving all over the world. Most economic activities such as production, consumption and innovation take place in urban areas, despite the relatively high location costs.

Why is this the case? Why are some cities thriving, while others face serious decline? Why are real estate prices more or less stagnant in some cities or neighborhoods, while they rise sharply in others? Why do firms and households prefer one location of the other? When thinking about location behavior of firms and households, we touch upon various topics that have a substantial impact on real estate markets. For example, the economic backgrounds and consequences of suburbanization, the rise of urban 'subcentres', and the rise of so-called 'network cities', as witnessed worldwide (and in The Netherlands alike).

At the aggregate level, location choices by firms and households translate into (changes in) land use and real estate development in modern cities. In this course the student should learn, both from a theoretical and empirical perspective to analyze land prices as a function of, inter-alia, population and real estate characteristics, location and transport costs. In addition, we identify the (im)possibilities of influencing the observed trends through urban and real estate policies. What is the impact of imposing or relaxing urban planning regulation on real estate development? Finally, we address some typically urban phenomena in relation to real estate markets: urban environment and green buildings, crime, and the provision of local public goods and services such as schooling and parks.

Additional Information Teaching Methods

There are three meetings per week. During the first part of each meeting the lecturer introduces a certain topic, based on the required reading material. The second part of each meeting is a tutorial, where students work on assignments under guidance of the lecturer. Students are expected to have read the material in advance, as the lectures cover key elements only. The various assignments include a refresher of essential micro economic theory, development of an theoretical urban model, an empirical (econometric) analysis using statistical software and writing an essay.

Method of Assessment

Five assignments (40%) and a written exam (60%). The minimum grade for the written exam should be at least 5.0 to pass the course. The overall grade should be at least a 5.5 to pass.

Entry Requirements

Introductory level of microeconomics.

Literature

- Jan K. Brueckner (2011), Lectures on Urban Economics, MIT Press.
- Selected academic papers (see Canvas for details).

Additional Information Target Audience

Second or third-year bachelor students who want to get a solid introduction into the economics of cities and real estate, economic geography or spatial economics.

Recommended background knowledge

Basic knowledge of econometrics (regression analysis) is highly recommended.