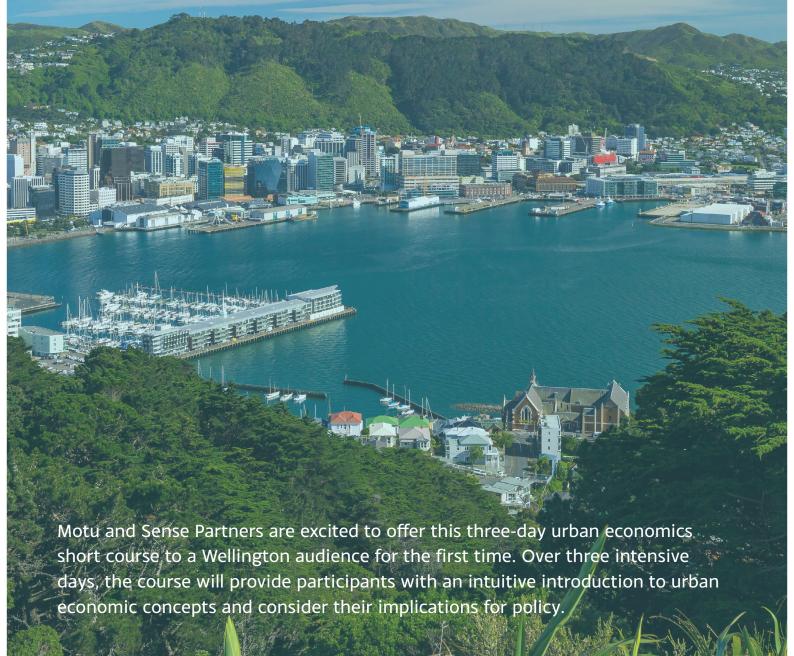# URBAN ECONOMICS
SHORT COURSE

Tuesday 25 June - Thursday 27 June

Level 28, The Majestic Centre, 88/100 Willis Street
Wellington Central, Wellington 6011

Motu and Sense Partners are excited to offer this three-day urban economics short course to a Wellington audience for the first time. Over three intensive days, the course will provide participants with an intuitive introduction to urban economic concepts and consider their implications for policy.

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COURSE CONTENT

DAY	SESSION	CONTENT
TUESDAY (8:30AM - 4PM)	**The monocentric city model**	In the monocentric city model (MCM), the trade-off between commuting costs and housing costs gives rise to a "bid-rent curve". We consider evidence of how the bid-rent curves varies over time and space and link it to the related concept of "density gradients". To finish, we consider implications of the MCM for policy, e.g. the effects of growth on commuting distances and urban form.
	Agglomeration economics	The economic advantages of cities ("agglomeration economies") give rise to clustering as well as urban wage/rents premiums. Using a simple model of city formation and size, we discuss the interplay between agglomeration benefits and congestion costs before considering their underlying microeconomic foundations and empirical evidence. To finish, we touch on types of agglomeration and potential benefits for consumers.
	Transport economics	Transport plays a critical role in urban economic models, where it influences both the shape and size of cities. This session covers key topics in transport economics, including transport models, generalised costs, dynamic/static models of congestion, the components of transport systems, and (dis)economies of scale/density. To finish, we consider empirical evidence on suburbanisation and "induced demand".
WEDNESDAY (8:30am - 4pm)	**The Rosen-Roback model**	The Rosen-Roback model provides a useful conceptual framework for thinking about inter-city location choice. We introduce the model and build an intuitive understanding for how spatial variation in prices and amenities help us to understand differences between locations. To finish, we complement this intuition with discussion of empirical evidence, policy insights, and dynamics. What cities are "winning" and why?
	Heterogeneity / sorting	Many urban economic concepts and models can be extended to explicitly accommodate differences ("heterogeneity") in various dimensions, such as income, education, age/gender, and industry sector. These differences can, in turn, give rise to spatial sorting, whereby similar people and firms sort into similar locations. We consider gnarly normative questions of "good" versus "bad" sorting and potential implications for policy.
	Infrastructure policy	Infrastructure helps to transform cities "from dark and isolated" to "bright and networked". This includes economic infrastructure—such as transport, electricity, and water—as well as social infrastructure—such as education, health, and recreational facilities. We consider the demand for infrastructure, supply-side characteristics, and institutional arrangements. We finish with a case study of congestion pricing in Stockholm.
THURSDAY (8:30am - 4pm)	**Housing markets**	Like all market goods, the price of housing is determined by supply and demand. In this session we consider demand for housing, supply of housing and the main drivers of housing prices. We also spend time thinking about the role of location and amenity and the key features that make housing different from other goods and services.
	Housing Models	Different actors in housing markets – including developers, builders, speculators, owner-occupiers and renters – all have different motivations and behaviours that help determine the type, quantity and price of housing. We explore and discuss a selection of simple housing models, including models and the data that informs what we can learn about housing.
	Housing Policy	Much effort and resources are spent on promoting a range of housing outcomes. Using our knowledge of the drivers of housing outcomes and some simple frameworks, this section tests what good housing policies might look like and identifies which housing policies we might expect to be less effective. We will work through strategies we can observe internationally and spend time examining local policies too

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COURSE PRESENTERS

DR STUART DONOVAN
Senior Fellow, Motu Research

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Drawing on 20 years of experience working as both a consultant and a researcher, Stuart will provide an evidence-based and policy-relevant introduction to key urban economic concepts and recent findings. In recent years, Stuart has delivered similar urban economics short courses to audiences in Auckland, Brisbane, Wellington, London, and Amsterdam.

DR KIRDAN LEES
Director, Sense Partners

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Kirdan is an economist at Sense Partners and has over twelve years' experience consulting on housing and urban economics issues. Kirdan trained as an applied macroeconomist and honed his modelling skillset over ten years at the Reserve Bank of New Zealand. Kirdan's advice is sought by Minsters and local councils alike and he regularly works with private sector developers on a range of policy issues. During his career, Kirdan has taught courses at the University of Canterbury and for the Asian Development Bank

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