

URBAN ECONOMICS SHORT COURSE

Monday 7 October - Wednesday 9 October 2024

The Powerplant, 12 Madden Street

Auckland CBD, Auckland 1010

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

COURSE CONTENT

DAY	SESSION	CONTENT
MONDAY (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".
TUESDAY (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.
WEDNESDAY (8:30am - 4pm)	The economics of place	Urban economic concepts for thinking about intra- and inter-city location choice are also useful when applied to land use and development of small areas. The session will illustrate how the variety of competitive and dynamic forces in our cities and suburbs influence growth and how this differs between industrial, retail, commercial land uses. We finish by considering implications for the effectiveness of place-based policies.
	Housing economics	This session explores the economics of housing. Like all market goods, the price of housing is determined by supply and demand. In this session we consider the main drivers of housing prices. How do location and amenity affect prices? What are the patterns of demand? This is discussed on both a theoretic basis and using empirical evidence from Auckland.
	Land use policy	This session examines land use policy, how it affects housing supply, and how it shapes our cities. We will consider the National Policy Statement on Urban Development (NPS-UD) and related policy settings, such as MDRS. We will talk about the effects of these changes on New Zealand's cities and towns, local government responses to the NPS-UD, and areas where policy remains unclear and/or further reforms are likely.



COURSE PRESENTERS



DR STUART DONOVAN

Senior Fellow, Motu Research

[in stuart.donovan@motu.org.nz](mailto:stuart.donovan@motu.org.nz)

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 SHANE MARTIN

Principal Economist, MRCagney

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Shane has 15 years of experience as an economist in the tertiary education, public, and private sectors in New Zealand and the USA. An experienced transport and urban economist, Shane previously served a term as Auckland Council's Chief Economist and is currently leading much of MRCagney's work on how the economics of land-use and transport shape our cities.