

ECO333: Urban Economics

Summer 2026

Note: Some sections of this syllabus may still be subject to change!

Lecture:	Tuesdays and Thursdays, 2-4 pm MP 137 (Tuesday), BA1220 (Thursday)
Tutorial:	Tuesdays and Thursdays, 4-5 pm MP 137 (Tuesday), BA1220 (Thursday)
Instructor:	Derek Thiele
Email:	d.thiele@mail.utoronto.ca
Office Hours:	Tuesday and Thursday, 1-2 PM, GE213
Teaching Assistant:	Grant Benjamin
Email:	grant.benjamin@mail.utoronto.ca
Office Hours:	[TBD]
Prerequisites:	ECO200Y1/ECO204Y1/ECO206Y1
Corequisites:	None
Exclusions:	ECO333H5
Credit Value:	0.5

Course Description

Cities are where most economic activity happens, and understanding why requires confronting a fundamental question: why do people and firms cluster in space at all? This course develops the economic tools to answer that question and applies them to a range of pressing urban issues. We begin with the foundations: how and why cities form, what determines their size and internal structure, and how spatial equilibrium, the idea that agents sort across locations until no one can profitably move, disciplines our thinking about urban outcomes.

With that foundation in place, we build up the core theoretical toolkit of urban economics. We ask why firms and workers benefit from locating near one another, how land use and rents are determined within cities, and how differences in location fundamentals are capitalized into equilibrium outcomes. These frameworks are surprisingly powerful, generating sharp, testable predictions about how cities respond to policy.

The course then applies these tools to some of the defining features of contemporary urban life, and what policies can realistically address them.

Course Objectives

This course aims to:

- develop economic intuition for why cities exist and how they are organized;
- build facility with canonical models in urban, public, and spatial economics;
- connect theory to empirical evidence and policy-relevant questions;
- introduce spatial data analysis and GIS as tools for studying urban outcomes.

By the end of the course, students should be able to:

- apply spatial equilibrium reasoning to urban questions;
- evaluate policies addressing land use, housing, congestion, segregation, and the environment;
- read and interpret empirical research in urban economics, including work at the research frontier;
- analyze and visualize spatial data using GIS.

Course Format

The course consists of 12 two-hour class meetings and accompanying one-hour tutorials held immediately after each session. Eleven meetings are content lectures; one meeting is reserved for the in-person midterm exam.

Lectures: In lectures, you will be introduced to concepts and tools that explain the origins, evolution, and organization of cities. These insights will help you evaluate the benefits and challenges of urban life, as well as policies aimed at addressing urban disamenities.

To incentivize class attendance and engagement with the lecture material, the slides I post on Quercus will be incomplete. I will use a writing tablet to draw figures and explain concepts. The annotated notes will not be posted on Quercus.

Tutorials: In tutorials, you will be exposed to GIS tools and concepts, work through problem sets, and have the opportunity to ask the teaching assistant questions about the material. Following exams or homework assignments, tutorials will also include answer walkthroughs.

Office Hours

Instructor office hours will be held the hour before each lecture in GE213. The teaching assistant will also hold weekly office hours [TBD]. Details on times, locations, and format (in-person or virtual) will be posted on Quercus.

If you are stuck, we strongly encourage you to attend office hours. For any substantive questions about course content that are asked over email, we will direct you to office hours.

Evaluation Criteria

Final grades are given as letter grades and reflect overall performance in achieving the course objectives. Final grades will be curved up if necessary to ensure the median grade is at least a B–. Final grades will never be curved down.

Evaluation	Weight	Deadline	Submission/Location
Homework	10%	Weekly	Quercus (handwritten)
GIS Application Assignment	15%	June 19	Quercus
In-Person Midterm Exam	30%	May 21, 2-4 pm	EX320
In-Person Final Exam	45%	Final Exam Period	TBD

Homework (10%)

10% of your final grade will be based on weekly problem sets. These assignments are designed to help you engage with the readings and prepare for the midterm and final exams. All submissions must be **handwritten**—typed or printed submissions will not be accepted. This requirement is in place to encourage genuine engagement with the material rather than uncritical transcription of AI output.

Homework is equally weighted across all assignments. Full points will be assigned for a good-faith attempt at every required question. The lowest 2 problem sets will be automatically dropped. **Late submissions receive a grade of zero**—no exceptions. All submissions will be checked for academic integrity, and any instance of cheating will result in a zero that cannot be dropped.

GIS Application Assignment (15%)

15% of your final grade will come from a GIS application assignment. Further details, including the topic and submission deadline, will be posted on Quercus.

You are strongly encouraged to begin working on your GIS assignment as soon as it is posted. I also recommend that you attend office hours to run your plan by myself or the TA.

In-Person Midterm Exam (30%)

30% of your final grade will come from the midterm exam. The exam is two hours, in-person synchronous, and will cover Lectures 1–5. It will take place on **Thursday, May 21**, during the regular lecture slot **2-4 pm** in **EX320**.

If you miss the midterm due to a valid reason (see Section 8.5), the weight will be shifted to the final exam. There is no makeup midterm.

In-Person Final Exam (45%)

45% of your final grade will come from the final exam, scheduled by the Faculty Registrar. The final exam is comprehensive but may be weighted towards the second half of the course.

It is in-person synchronous.

Lecture Schedule

Lecture	Date	Topic
1	Tue May 5	Introduction*
2	Thu May 7	City formation and spatial equilibrium*
3	Tue May 12	Agglomeration economies*
4	Thu May 14	The monocentric city model*
5	Tue May 19	The Rosen–Roback model*
–	Thu May 21	<i>Midterm exam (covers Lectures 1–5)</i>
6	Tue May 26	Housing and urban development*
7	Thu May 28	Housing (continued) and urban sorting*
8	Tue Jun 2	Urban inequality and segregation
9	Thu Jun 4	Transportation and infrastructure*
10	Tue Jun 9	Cities and the environment*
11	Thu Jun 11	Advanced topics and synthesis

The lecture schedule is subject to change. Topics with an * are those that will be prioritized. Remaining topics will be covered time permitting.

Reading Material

Reading material will primarily consist of detailed lecture notes distributed before each class, but potentially also supplementary materials. Required readings will be posted on Quercus. Students should aim to complete all readings before the relevant lecture.

Textbooks that inform this course and may be helpful to you:

- Bertaud, Alain (2018). *Order without Design*. MIT Press.
- Brueckner, Jan (2011). *Lectures in Urban Economics*. MIT Press.
- O’Sullivan, Arthur (2018). *Urban Economics*. McGraw Hill, 9th Edition.
- Sieg, Holger (2020). *Urban Economics and Fiscal Policy*. Princeton University Press.
- Glaeser, Edward L. (2011). *Triumph of the City*. Penguin Press.

Policies and Statements

Communication

Please use your official University of Toronto email address for all course communications. I will respond to emails within two business days. In all communications, whether in class or via email, please maintain respect toward fellow students and the instructor.

Generative Artificial Intelligence

You are welcome to use large language models (LLMs) such as ChatGPT, Claude, or Gemini to build intuition and assist with assignments. However, you must not submit machine-generated responses as your own work,

and you cannot copy and paste from AI output. Be aware that LLMs do not always provide accurate answers—critically assess any output. These tools will not be available during exams, so the goal is to use them as a learning aid, not a substitute for understanding. If it is ever unclear whether your use of AI is in violation of course policies, please contact me for clarification.

Plagiarism Detection

Homework submissions may be subject to the University's plagiarism detection software, integrated into Quercus. By submitting, students agree to have their work included in the tool's reference database for the purpose of detecting plagiarism.

Accessibility and Accommodations

I am committed to providing reasonable accommodations for students with disabilities, health issues, religious observances, or other relevant circumstances. To request an accommodation, please submit a written request. Students requiring disability accommodations should register with the University of Toronto's [Accessibility Services](#).

Missed Academic Work

Missing the midterm. If you need to miss the midterm due to illness, email me from your official University of Toronto address before 2:00pm on the day of the exam. Your email must briefly explain the circumstances and include the statement: *"I understand that it is a punishable academic offense to present false or misleading information with my request for accommodation"* followed by your name and student number. A medical note is not required. If the absence is approved, the midterm weight (30%) will be shifted to the final exam, which will then be worth 75% of your grade. There is no makeup midterm.

Missing the final exam. If you miss the final exam, you must follow Arts & Science's procedures for requesting a deferred exam.

Homework & GIS Assignment. Late submissions receive a grade of zero. The lowest two homework grades are automatically dropped as accommodation for illness, technical issues, or other circumstances.

Appealing Grades

If you believe an assignment or exam has been graded incorrectly, you may submit a re-evaluation request via email to me within two weeks of the return date. Note that the entire submission will be regraded, which may result in a grade increase or decrease.

Crowdmark

The midterm and exam will be administered and graded via Crowdmark. Please note that physical copies of test papers will be shredded after they are scanned and uploaded to Crowdmark.

Audio or Video Recordings

You may not create audio or video recordings of lectures without prior written permission, except as an approved accessibility accommodation.

Academic Integrity

All students are expected to follow the University's guidelines on academic integrity. Plagiarism or submitting work previously submitted in another course is a serious offense. All suspected cases of academic dishonesty will be investigated under the [Code of Behaviour on Academic Matters](#).

Copyright and Intellectual Property

Course materials prepared by the instructor are the instructor's intellectual property. These materials are for your personal study only and may not be shared outside the class or uploaded to third-party sites (e.g., Course Hero). Posting course materials without the instructor's express permission constitutes copyright infringement.

Mental Health and Well-Being

The University of Toronto's [Student Mental Health Resource Guide](#) provides access to on-campus and off-campus resources. If you are feeling distressed or in crisis, please contact:

- **Good2Talk:** 1-866-925-5454 (Ontario); text GOOD2TALK to 686868. Free, confidential, 24/7.
- **My Student Support Program (MySSP):** 1-844-451-9700 (North America); 001-416-380-6575 (international).
- **U of T Employee & Family Assistance Program (EFAP):** 1-800-663-1142.
- **Emergency:** Call 911, then Campus Police (UTSG: 416-978-2222).