Chapter 9: Urban and Regional Economics

Economic Factors Influencing the Growth and Decline of Cities
- Determinants of a community’s comparative advantages
  o Transportation facilities
  o Educational facilities
  o Created environment
  o Natural resources
  o Climate
  o Labor force
  o Leadership

Concept of an Economic Base
- Export activities
  o Agriculture, manufacturing, mining, and wholesale trade
- Population serving activities
  o Construction, public utilities, retail trade

Analyzing Local Real Estate Demand
- Short-run demand issues
  o Current supply of real estate improvements
  o Current industrial structure
  o Recent changes in the local economy
  o Likely economic changes in the near future
- Long-run demand issues
  o Long-run economic prospects for the local economy
  o National & regional trends likely to affect the local economy
  o Likelihood of new firms coming into the area

The Bid-Rent Curve and the Concept of Highest and Best Use
- land rent – the return that a particular parcel of land will bring in the open market
- highest and best use – the use of land that results in the highest land rent
- each parcel of land has a highest and best use
- Bid-rent curves depict the relationship between price and distance that various user groups are willing to bid for various locations in an urban area. As the profitability of less desirable locations decreases, the prices the users are willing to pay also decrease. Plotting the bid-rent curves for various user groups gives the overall bid-rent curve for the area, as shown in Figure 9.1 on page 181

Models of Urban Growth Patterns
A city may grow in several ways
- Vertically
- In-filling
- Extension of settled areas
Growth Models
- Concentric Circle growth (Figure 9.2, page 183)
  o Land use patterns are defined as concentric circles around a Central Business District
    ▪ Zone 1: Central Business District
    ▪ Zone 2: Slums, light manufacturing, luxury apartments, entertainments
    ▪ Zone 3: Lower income housing
    ▪ Zone 4: Higher income housing
  o As growth occurs, the rings expand, with land uses changing to the new land use indicated by the expanding rings. For example, as the CBD grows, slums are converted to CBD-type uses. Also, as the area grows, higher-income housing becomes lower income housing as it gets older and older.

- Axial growth (Figure 9.3, page 184)
  o Based on the notion that growth tends to occur along transportation routes and nodes, resulting in star-shaped cities.

- Sector growth (Figure 9.4, page 185)
  o Based on the notion that particular types of land uses tend to occur in wedge-shaped sectors extending outward from the center of a city.

- Multiple-Nuclei growth (Figure 9.5, page 186)
  o Based on the notion that many cities form more than one central business district, with certain land uses clustered around those points

Importance of Public Facilities Infrastructure in the Growth Process
- Transportation facilities
- Water and Sewer facilities

Urban Form: A Synthesis
- Commercial growth
- Industrial Growth
- Residential Growth

Dynamics of Neighborhood Change
- What is a neighborhood?
- Neighborhood Life Cycle Stages
  o Gestation, Youth, and Maturity
  o Incipient Decline
  o Clear Decline
  o Accelerating Decline and Abandonment
- Neighborhood stabilization and rehabilitation