

UNIVERSITY OF BRITISH COLUMBIA
Food and Resource Economics

FRE/ECON 374 - Land Economics.

This course will deal with an economic overview of problems related to land use. Specifically, we will focus on the theory and analysis of land rent, land evaluation, efficiency of land as an input to production, property rights, land-based institutions, demand aspects of land and land-based resources, and public policies that address the conservation and management of land resources.

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Scheduled meeting time for Summer Term I 2002: MTWThF 9:00 a.m. - 12:00 noon

Class meeting location: TBA

Office hours: Tuesday, Wednesday, Thursday, Friday: 7:30 a.m. – 8:30 a.m.

Course objectives/intent: The objectives of this course are to provide students with an overview of the economic theory and analysis of issues pertaining to land use. Upon completion of the course, students should be familiar with:

- the basic aspects of land measurement and evaluation
- concepts of land rent and economic welfare
- efficiency and equity of using land within a production context
- alternative forms of land use and approaches to non-market valuation of land-based resources
- public policies affecting land use
- approaches to land use planning
- public land management
- compatibility of alternative land uses

Course requirements: There are three primary requirements of this course:

1. **problem sets** (20 percent/problem set): There will be three problem sets (due May 21, May 27, and May 31) that will evaluate the student's understanding of course content. These problem sets will cover material studied during the prior week.
2. **final examination** (40 percent): The final exam will be comprehensive and intends to evaluate the student's understanding of topics covered in the course (schedule TBA).

Grading will follow standard percentages as found below:

90 - 100 = A+	76 - 79 = B+	64 - 67 = C+	50 - 54 = D
85 - 89 = A	72 - 75 = B	60 - 63 = C	0 - 49 = Fail
80 - 84 = A-	68 - 71 = B-	55 - 59 = C-	

Reading materials

Required textbook: vanKooten, G. Cornelius. 1993. *Land Resource Economics and Sustainable Development: Economic Policies and the Common Good*. Vancouver, B.C.: University of British Columbia Press. Available from the Bookstore for approximately \$50.35 plus GST.

Additional required readings: I've placed several copies of the following required readings on-reserve in the MacMillan Library (3rd Floor MacMillan). Dates reflect the days during which material found in the readings will be discussed.

May 14 & 15: Barlowe, R. 1986. *Land Resource Economics: The Economics of Real Estate (Fourth Edition)*. Englewood Cliffs, NJ: Prentice Hall.

May 16: Brueckner, J. 2000. Urban sprawl: Diagnosis and remedies. *International Regional Science Review* 23: 160-171.
Esparza, A. and J. Caruthers. 2000. Land use planning and exurbanization in the rural Mountain West. *Journal of the American Planning Association* 20: 23-36.

May 17: Rudzitis, G. 1999. Amenities increasingly draw people to the rural West. *Rural Development Perspectives* 14 (2): 9-13.
Deller, S.C., T. Tsai, D.W. Marcouiller, and D.B.K. English. 2001. The role of amenities and quality of life in rural economic growth. *Am. Journal of Agric. Economics* 83 (2): 352-365.

May 27: Wynn, G. 1992. The rise of Vancouver. Chapter 4; *Vancouver and Its Region*. Pp. 69-148.

May 28: Halseth, G. 1999. Disentangling policy, governance, and local contention over change in Vancouver's rural urban fringe. Chapter 8: 151-178 of *Contested Countryside ...*, Furuseth and Lapping (eds); Hants, England: Ashgate Publ, Ltd.

May 29: Marcouiller, D.W. 1998. Environmental resources as latent primary factors of production in tourism: The case of forest-based commercial recreation. *Tourism Economics* 4, 2: 131-145.

Course Outline: The following schedule is a general road map for topical discussions.

Monday, May 13

Introductions and course outline/expectations

An economic concept of land

- land as a factor of production (productive forms of land use)
- alternative forms of land use
- availability of land for economic uses
- social and demographic trends

Reading Assignment:

vanKooten pp. 1-11

Tuesday, May 14

Definitions and characteristics of land

- definitions and measurement attributes of land
- characteristics of land-based resources
- land use and compatibility of alternative uses

Reading Assignment:

vanKooten pp. 15-29

Barlowe pp. 131-155

Supply of land: The economic determinations of land rent

- economic principles affecting land use
- the concept of land rent
- productivity of land as an element of land rent

Wednesday, May 15

Supply of land: The economic determinants of land rent (continued)

- Ricardian land rent (continued)
- distance to market as an element of land rent (VonThunen land rent)
- spatial array of alternative land uses
- the urban bid rent cone
- locational factors associated with land rent

Reading Assignment:

Barlowe pp. 218-264

Thursday, May 16

Locational factors associated with land use

- the economic determinants of urban sprawl
- an economic critique of urban sprawl
- amenities as a driver of exurbanization
- the exurbanization process

Reading Assignment:

Brueckner reading

Esparza and Carruthers reading

Friday, May 17

Locational factors (con't)

- amenity resources as an element of land rent
- efficiency of land response to inputs
- externalities of market-based rental determinations

Interaction of urban centers

- urban hierarchy
- estimating extent of urban influences
- gravity models

Reading Assignment:

Rudzitis reading

Deller et al. reading

Distribute Problem Set #1 (due Tuesday – May 21)

Monday, May 20 (class not held – Victoria Day)

Tuesday, May 21

An economic assessment of welfare measurement

- consumer surplus
- producer surplus

Welfare economics

- alternative forms of demand in land economics
- compensating and equivalent variations
- public goods

Reading Assignment:

vanKooten pp. 30-46

Wednesday, May 22

Relationships between alternative welfare measures

Externalities of land use

- issues of property rights
- public policies to address externalities
- internalizing externalities

Reading Assignment:

vanKooten pp. 47-77

Thursday, May 23

Externalities of land use (continued)

Project evaluation with respect to land use

- cost-benefit analysis
- estimating the costs of alternative land uses
- estimating the benefits of alternative land uses

Reading Assignment:

vanKooten pp. 78-100

Friday, May 24

Project evaluation (continued)

Approaches to non-market valuation

- a spectrum of land-based "goods" (private to public goods)
- rivalry and exclusivity as a basis for categorization
- stated preference approaches
- revealed preference approaches

Reading Assignment:

vanKooten pp. 132-159

Distribute Problem Set #2 (due Monday – May 27)

Monday, May 27

Public policies and land use planning

- efficiency and equity in land use planning
- tools of land use planning

Reading Assignment:

vanKooten pp. 243-269

Wynn reading

Tuesday, May 28

Land use planning (continued)

- intervention mechanisms for land use planning
- preservation vs. conservation
- alternative approaches to land management

Reading Assignment:

vanKooten pp. 270-295

Halseth reading

Wednesday, May 29

Public lands management

- the economics of multiple use management
- timber and rangeland management
- recreational use of public lands
- tourism and amenity uses of land

Reading Assignment:

vanKooten pp. 362-391

Marcouiller reading

Thursday, May 30

Land use compatibility

- alternative forms of compatibility
- compatibility matrix

Reading Assignment:

vanKooten pp. 393-415

Distribute Problem Set #3 (due Friday – May 31)

Friday, May 31

Summary of land economics

The role of ethics in land use planning

Conclusions and evaluation

Review for final examination

Final Examination (TBA)