

A Sequential Land Use Equilibrium Model With Endogenous Incomes

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Abstract

In this talk we introduce a new sequential land use equilibrium model which is based on good and location exchange process including endogenous incomes. We define two possible market equilibrium conditions: bid-rent theory and utility maximization approach. We prove in the first part of this paper that both approaches are equivalent under weak conditions. In the second part we establish an existence result for the utility maximization equilibrium model. In the third part we discuss how the dynamic equilibrium model under the rational expectation hypothesis works.

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