

## Abstracts of keynote presentations

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*Alexei Parakhonyak (University of Oxford)*

*"Repeat Consumer Search" (with Andrew Rhodes)*

Consumers are usually interested in buying a product repeatedly over time, but need to search for information on firms' prices and product features. We characterize the optimal search rule in this environment, showing that under certain conditions consumers 'stagger' their search across periods i.e. they buy several different products early on before settling on one which they then buy repeatedly. They can re-enter the search process later. We also solve for equilibrium prices, examine how they change as the market matures, and compare them to the usual one-shot search problem. We show that price dispersion is non-monotonically related to search costs. Finally, we investigate how the market evolves when firms may offer discounts to past consumers.

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*Hans Koster (Vrije Universiteit Amsterdam)*

*"The Blitz, Density Frictions and Agglomeration Economies in London"*

This paper exploits locally exogenous variation in the location of bombs dropped during the Blitz to quantify the effect of density frictions on London's urban spatial structure. Density frictions prevent changes to urban density. In London, this mainly relates to planning regulations. We employ micro-geographic data on office rents, employment, and residential locations. Using reduced-form analyses as well as a structural model of a city, we show that areas that were randomly more exposed to bombings now have buildings that are taller. Using this variation in densities, we find an agglomeration elasticity of about 0.2, which is several multiples larger than the existing literature which primarily derives its results from secondary cities. Counterfactual experiments show that if the Blitz had not taken place, so when density frictions would be more pronounced, London would be about 10% smaller and population and workers would be substantially less concentrated in the city center.

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*Jacques-François THISSE (Université Catholique de Louvain – UCLouvain)*

*"About the Origin of Cities" (with André De Palma, Yorgos Papageorgiou, and Philip Ushchev).*

We provide a bare-bones framework that uncovers the circumstances which lead either to the emergence of equally-spaced and equally-sized central places or to a hierarchy of central places. We show how these patterns reflect the preferences of agents and the efficiency of transportation and communication technologies. With one population of homogeneous individuals, the economy is characterized by a uniform distribution or by a periodic distribution of central places having the same size. The interaction between two distinct populations may give rise to a hierarchy of central places with one or several primate cities.