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## Spatial Monetary Economic Growth with Housing and Residential Distribution over the Urban Area

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### ABSTRACT

This study introduces space, transportation, and money into an economic growth model. Growth theory neglects the importance of transportation on economic growth and transportation economics fails to properly explain how changes in transportation conditions (such as technological improvement, infrastructure investment, and oil prices) affect long-term economic growth. By proposing a growth model with transportations, we try to explain effects of transportation on economic growth. Our model describes dynamic interactions among capital accumulation, travel time, housing, residential distribution, amenity, and endogenous time distribution among work, travel, and leisure. The study examines effects of inflation policy, transportation conditions, and other conditions on long-term economic growth and economic geography. The paper demonstrates a way to integrating some important models in the literature in economic growth theory, urban economics, and transportation research so that the significance of transportation systems upon economies can be properly analyzed.

### KEYWORDS

Economic Growth, Capital Accumulation, Travel Speed, Leisure Time, Housing Rent, Land Rent, Inflation Policy, CIA Approach

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