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If you refinanced your mortgage, you're probably not going to want to sell your house

By Dina ElBoghdady, Updated: March 5 at 1:55 pm

The reasons are piling up against selling your home.

One reason: Chances are, people who refinanced their homes from late 2008 through 2012 won't be able to secure the tantalizingly low rates they got back then when they buy a house now, according to research from the Institute for Housing Studies at DePaul University. So they'll stay put.

"A rise in long-term interest rates has the potential to lock these homeowners into their existing residences because they will be reluctant to switch to a higher mortgage rate on a new loan," the study concluded.

This "lock-in" effect has taken place before, the researchers said. Between November 1978 and November 1981, when the average monthly rate on a 30-year, fixed-rate mortgage jumped from 10.1 percent to 17.8 percent, sellers retrenched. High levels of interest-rate lock-in at the time lowered household mobility by 15 percent for every 2 percent increase in rates.

The phenomenon appears to hold true today, according to the DePaul study, which has yet to be published. The researchers – Patric Hendershott, Jin Man Lee and James D. Shilling – created a statistical model of housing turnover from 2005 through 2011 in Illinois' Cook County. They found that a 10 percent rise in the number of households locked in by interest rates caused a 29 percent decline in housing turnover.

Another possible turn-off for sellers: The 3.8 percent tax imposed by President Obama's health-care law. The tax kicked in Jan. 1, 2013, but its effects are just now being felt by people who sold their homes last year.

The tax only affects high earners – meaning individuals with an annual adjusted gross income of more than $200,000 or married couples who file jointly and make more than $250,000 a year.

If these high-earner individuals make more than $250,000 in profits when they sell their primary residence, they will get hit with the tax. Same applies to high-earner married couples who make more than $500,000 in profits when they sell.

"It will certainly affect people in markets that have experienced tremendous price appreciation or people who have lived in their homes for a long time and accumulated tremendous appreciation," said Keith Gumbinger, a vice president at the mortgage information firm HSH.com.