

## Report Middle-class and homeless

**PAULA DALY, 48**

**THEN:** consultancy work on government-sector projects; earned £50,000; own 'dream business', own flat. **NOW:** unemployed, dispossessed, living on benefit in temporary accommodation





# ALL I WANT IS A ROOM SOMEWHERE

Paula Daly had a £50,000 salary, a business and her own flat. In a matter of weeks she lost it all. She is one of hundreds who never dreamt they'd be out on the streets. Is the 'squeezed middle' on the brink of a homelessness crisis? By Caroline Scott.  
Photographs by Philipp Ebeling



**I**t could happen to any of us. One minute you're chugging along, earning a good salary, enjoying the odd holiday, the occasional meal out, wondering if you should paint the house. And then it all comes crashing down. With the economy stagnant, unemployment at around 8% and repossessions reaching record levels, homelessness is no longer the preserve of the feckless; it can happen to anyone.

Paula Daly was the creative force behind the quirky fashion brand Mouse to Minx, a look she describes as "burlesque meets Miss Marple". Even though the company is irrevocably stalled, she continues to tweet gamely: "Still under the stairs... hoping for revival any day soon." She views the implosion of her life as "farcical satire... I cannot believe that at 48 I've lost everything I've ever fought for. I'm permanently in a state of disbelief." She double-locks the door of her temporary flat (she's been threatened by the man upstairs) and pulls the latch across. "It's a dump and I've been very frightened here but I have to try hard not to dwell on what I've lost because I've got to get out. I won't accept this is my destiny". Since most landlords in Bristol won't take homeless people or the unemployed, Daly feels lucky to have a room. Her lowest point — after she lost her job, her business and her home in a period of a few weeks — is marked by a handful of DHSS tickets — "Like the ones you get at the deli counter, only not". They carry a number and one word: "Homeless". She has stuck them in a frame at the back of a cabinet, "as a reminder of where I've been. Seeing it written down felt like a body blow".

Daly worked as a communications consultant on government-sector projects, earning "in the region of £50,000" for years before she decided to begin her "dream business" with a cautious £25,000 loan from Lloyds TSB. "I did the research, I had a humdinger of a shop on a beautiful cobbled street in Bristol, with a flat above it. Stylists, designers and photographers constantly came in. It wasn't making a profit yet, but it was ticking over. And I was still doing my day job." Then, at the beginning of 2009, her contract with the NHS ended, and for the first time she wasn't offered another. Within months, the bank foreclosed on the loan. Mouse to Minx went into liquidation and her home was



**JONATHAN WEAL 53**

**THEN:** property developer earning £50,000, with homes worth estimated £2.25m (including a penthouse flat, above).

**NOW:** unemployed, homeless, burdened with mortgage debt of £300,000. Separated from his wife; living apart from his children

**'I HAD ASSETS I COULD SELL TO MEET MY ARREARS BUT I WASN'T GIVEN THE TIME. FOR MY WIFE THE HUMILIATION WAS UNENDURABLE'**

repossessed. Daly, who is not close to her family, was given a mattress on a floor by a woman she barely knew; her cat was fostered by a former employee and her belongings went to six different addresses. She has applied for "every kind of job", most recently with the Department for Work and Pensions, which pays her benefit of £65 a week. "I didn't even get as far as the interview because I was overqualified. I'm a very



proud person. I'm a fighter but I don't know if I can survive this. I feel desolate. Utterly alone. I used to have a stunning home, a fantastic career and I just keep thinking what a bloody mess I've made of my life."

During the good years when Jonathan Weal, 53, ran a thriving property development business, he made monthly donations to homeless charities. His jacket looks too big for him and his hands shake as he shows me medals he has won for marathons across the world. "I am not a quitter," he says. "It's absolutely unbelievable that I should have ended up in this position." His marriage has crumbled and now, armed only with

a rudimentary grasp of law recalled from his Institute of Bankers exams, he is countering the law firm appointed by the bank to repossess his home. He is fresh from court where he has tried to persuade the judge he is the victim of a property cartel. "Someone is making a lot of money from this." It is hard not to share his agitation. Solicitors acting for the bank sold a luxury penthouse flat in Blackheath, valued by

Foxtons at £1.3m, for £359,000, and the family home, "a beautiful Grade II lodge house in Chislehurst I'd completely renovated", value £950,000, for £499,000. "I had assets I could sell to meet my mortgage arrears, but I wasn't given time," Weal fumes. "For my wife, Elaine, the humiliation was unendurable." When the bailiffs descended, Weal grabbed what he could and slept in his mother's box room while Elaine and their two children, Rory, 16, and Emma, eight, are staying with her parents. Talking about Rory reduces Weal to tears. "My father and sister are both architects. She went to Cambridge, I came last in everything at school and I've spent my entire life making up for that. It was so important to me that Rory had the best education." Rory had to leave a private school halfway





**JAMES COUSINS, 43**

**THEN:** salaried business analyst in the City. **NOW:** made redundant three years ago, was facing repossession. Still has mortgage arrears and negative equity — but has found work again in the City and is trying to hang onto the family home



through the term and take his first GCSE in GCSEs in a comprehensive near his grandparents' house in Maidstone. "The way the kids have coped with this has been amazing. Rory is predicted to get straight As. But the stigma's terrible. He's scarred by it, I know he is."

New research just released by Crisis suggests that the vast majority of homeless people are "hidden", sofa surfing or staying with relatives or friends. With help, they should be able to get back on their feet fairly quickly, but once you've hit the bottom, it's

incredibly hard to claw your way back up again. James Cousins, 43, a business analyst, is one of thousands hanging onto their homes by their

fingertips. After he was made redundant from his job in the City three years ago, he found work when and where he could, including a stint as a taxi driver. "That was my lowest point. I was earning £200 for a 50- to 60-hour week, just trying to keep up with mortgage repayments while the house slid into negative equity." Three years ago he paid £170,000 for it; now it is worth £186,000, but his mortgage, with arrears, is £206,000.

Cousins's wife, Beverley, 50, has been holding down two jobs, and his grown-up stepdaughters contribute as much as they can to the monthly £900 mortgage payments. Even so, in April his lender took him to court to force repossession. He pats a fat file stuffed with final demands, court orders and a solicitor's bill for £800 to pay for the privilege of being brought before the judge. "We've got our food shop down to £60 a week, we've had no holiday since 2004, there's nothing more we can do. In court my wife was

beside herself, she couldn't talk, but I had to stand up and say with confidence, 'I know I will get a job,' though time was not on my side."

He had a stroke of luck and is now three months into a six-month contract with another City firm, hoping desperately that it will be renewed. And if it isn't? "We'll have 28 days to leave the house and we'll be out on the street with £50,000 of outstanding debt. I won't be able to rent because I can't get credit to raise a deposit. Neither of us has any family nearby. I have absolutely no idea where we'll go."

Historically, the YMCA, with 7,000 beds across the country, has seen its share of what it calls "the fallen middle class", but in America the worst economic crisis in decades has seen a measurable surge in the numbers of middle-class homeless. Special parking lots have sprung up to accommodate people who have taken to living in their cars as banks foreclose on their homes. Could it happen here? Housing charities say, well, yes and no. If you lose your home, a safety net exists in the form of housing benefit to catch you — provided you are still able to stump up the deposit to rent.

Government statistics released this month show that 44,160 households were accepted as homeless last year, an increase of 10% on 2009. The National Council of Mortgage Lenders expects repossessions to reach the level they were at the height of the credit crisis in 2008.

Its 2010 annual report warns ominously: "We are not confident that arrears and possessions will be countered as successfully in 2011."

Research by Shelter earlier this year found that nearly 2m people are experiencing such extreme financial difficulties that they're using their credit cards to pay their mortgages — an increase of 50% in one year. Many workers in the charity sector now believe we are on the edge of a precipice over which the middle classes may be about to tumble. Shelter, concerned that safeguards are being eroded, has just launched a campaign, Save the Housing Safety Net. Its homeowner helpline, specifically for people worried about paying their mortgages, took 400 calls in January alone. The fear is that a 1-2% rise in interest rates will be a tipping point for thousands of people.

Matthew Doyle, a former pupil at £28,785-a-year Wellington College and an LSE alumnus, points out the soup kitchen on the Queen's Gardens, Croydon, where at 9 every night he would wait with scores of others for food hand-outs. "I know it sounds snobbish, but the sandwiches were from Waitrose and Pret."

During his three years of homelessness



the former stockbroker relied on the warmth of libraries — “I read and read and read and scoured the internet for a solution” — and the kindness of strangers, in particular the Salvation Army. “They didn’t ask about my background and they didn’t judge. They said: ‘Hello Matthew. What do you need?’ They gave me disposable razors and shaving foam, took away my filthy clothes and gave me clean ones. I honestly had no idea how I was going to get out of this spiral.”

Doyle’s journey from a £600,000 townhouse in Stockwell, south London, to a homeless hostel, took in an unmanned B&B — “Believe me, there was no ‘breakfast’, it was a crack house” — where his perfectly enunciated vowels made him a sitting target. His face bears scars from vicious beatings. “Every week, a couple of drug dealers would lay into me then march me to the cashpoint at Tesco Metro and force me to draw out £20. Social Services couldn’t understand how someone with an accent like mine could be homeless, and I hadn’t a clue where else to go for help.”

**F**inally, a policeman found him prostrate on the street after a particularly savage attack and took him to a hostel, dealing personally with a raft of paperwork, to get him a bed. “He said something my mother once said when I was at a draconian prep school and terribly unhappy. She said: ‘It’s okay, Matthew, you don’t have to go back there.’ And this police officer said exactly the same thing. It still makes me cry. I said: ‘I can’t go on like this.’ And he said: ‘Don’t worry, Matthew. You don’t have to.’”

Doyle’s father worked for the Foreign Office while his mother was a housewife. After leaving the LSE he earned a good salary working for a small City firm, but, critically, there was never a financial buffer. “My wife and I had a huge mortgage — we borrowed four and a half times our salaries, we had platinum Amex cards. We ate out. We had a Peter Jones account. We were trying to sustain a lifestyle we couldn’t afford.” Holidays were far-flung and lavish. “Put it this way, we didn’t turn right when we boarded an aircraft.” Doyle’s descent was breathtakingly swift, as he was clobbered by one crisis after another: redundancy, bereavement — both his mother and his wife’s mother died of breast cancer — then, as his marriage began to unravel, he was hospitalised with a bone infection in his foot that left him unable to work for months. In 2008, just as he had begun to apply for jobs



### MATTHEW DOYLE, 41

**THEN:** public school education, job as a stockbroker, £60,000 earnings, £600,000 house, lavish lifestyle. **NOW:** spent three years homeless, slept in a crack house B&B and at the YMCA

happened could happen again, and in a flash.”

Dawn in central London and an orderly queue is beginning to form just off the Strand, at the discreet red front door of The Connection at St Martin in the Fields, stretching all the way to upmarket Jigsaw. Inside, Peter Owen, 52, sits on the edge of his chair, coiled like a spring. He’s dressed neatly in white shirt, black jacket and jeans. “There’s no

excuse for not keeping yourself clean and tidy,” he

says. Owen’s survival on the street

since last winter was plotted with military precision. He is first in the queue every morning to wash and shave before work — his new employers don’t know that he’s homeless — and his twin goals now are to pay off his debts and find somewhere to live. A father of two teenagers, he was made redundant last

## A VISCERAL PRIDE STOPPED HIM ASKING FRIENDS FOR HELP. ‘I’D GOT MYSELF INTO THIS MESS AND I FELT I HAD TO GET MYSELF OUT OF IT’

again, Lehman Brothers went bust and the financial world stopped recruiting. He drank, “but no more than anyone else in the City”. And he probably wore out the patience of his friends as his situation became more and more parlous. But when he lost his deposit on a flat he’d been renting, neither his sister (a former researcher for Newsnight, now “a yummy mummy living in Singapore”) nor his friends seemed able to comprehend that he didn’t have anywhere to go. I packed a couple of bags with books and clothes and spent a night on a friend’s sofa, followed by two nights in a Travelodge, after which, I lost my wallet. I had about three quid on me. Total panic. It was the middle of winter and I spent three days sleeping in A&E at Mayday Hospital.”

Doyle is a big man, with charm and expensive manners that don’t quite cover a restless insecurity over where in the world he now belongs. He has a flat and for a time had a job, through a friend (“I’ve no idea how to explain the gap in my CV”). The YMCA in Croydon where he pitched up a year ago is now due for demolition. Its corridors reek of boiled potatoes, sweat and bleach. “In terms of joylessness, it wasn’t unlike boarding school,” he mumbles. He scans the narrow mattresses and peeling paint with rising panic. “It doesn’t matter where I am, It’s always in my mind that everything that

September from a job in IT he had held for 15 years. When he gambled away the redundancy money, his wife kicked him out and a kind of visceral pride stopped him from asking for help from friends. Instead, he bought himself a sleeping bag and bedded down on a bench in Hammersmith Cemetery. “I got myself into this mess and I felt I had to get myself out of it.”

In the month before Owen got his first pay cheque, the only thing he had in his pocket was a bus pass. He’d leave his clothes in a locker at Victoria station and get a few hours’ sleep on the night bus to Heathrow. “My one source of food was sandwiches given out by a lovely guy on the Strand.” He is keen to tell his story but at the same time desperate to disappear into the crowd. “It’s very, very tough and it’s humiliating. You feel so ashamed. On the one hand, you feel totally out of place. On the other, you look around and you think: ‘We’re all in the same boat.’”

He mentions a banker he sees regularly, washing in the public toilets off Trafalgar Square. “There are plenty of people out here whose businesses have collapsed, who’ve had their houses repossessed, whose drug or drink habit has got out of hand. You don’t ask too many questions because you don’t want to pry, but quite a few of us are getting off a bench, putting on a suit, and going to work every morning.” ■