

ATLANTA BUSINESS CHRONICLE



Appetite for growth: Three pita sandwich companies plan to enter and expand in the Atlanta market this year.

Pita shops look to wrap up Atlanta

By **Lisa R. Schoolcraft**
STAFF WRITER

Three pita sandwich companies want to put Atlanta in their pockets.

Extreme Pita, Pita Pit Inc., and **Pita's Republic** all have plans to enter and expand in the Atlanta market this year.

Only Tampa, Fla.-based Pita's Republic has a store open here. It opened in Midtown, near **The Fox Theatre**, two months ago, but all three plan to open dozens of locations, if not more, in the coming months.

Mississauga, Ontario, Canada-based Extreme Pita plans to open its first location near North Point Mall in Alpharetta by late fourth quarter, said Ray Zandi, vice president of U.S. development, with plans for up to 20 to 25 stores.

Pita Pit, based in Coeur d'Alene, Idaho, plans to open its first area location in Decatur Square in the next three to six months, with plans for as many as 100 stores metro-wide.

Pita's Republic expects slower growth, with six new locations in the next 18 months, said Moe Elkasri, company CEO and founder.

The sandwich concept has been faring well, even in the recession, according to an August 2009 report by **Mintel International Group Ltd.**, a consumer research firm. Subway and Arby's are the segment sales leaders, the report said.

Mintel expects sales at sandwich, sub and wrap concepts to reach \$14.1 billion in 2010, and \$25.5 billion in 2011.

"Customers seeking out a fast, high-quality, relatively healthful and inexpensive meal option have helped these restaurants thrive," Mintel's report said.

That healthy alternative is where

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Continued from 3A

Extreme Pita's Zandi says pita concepts like

"The fast-food category is extremely laden with burger, pizza and chicken chains," Zandi said. "We're growing the consumer trend by offering a healthy and nutritious alternative to fast food."

Extreme growth

Extreme Pita, founded in Canada in 1997, opened its first U.S. restaurant in 2006 and is on pace to grow 80 percent in the United States this year, Zandi said. There are currently 33 Extreme Pita sites in the country, with locations opening in Chicago; Boulder, Colo.; Austin, Texas; Washington, D.C.; St. Louis and Manchester, N.H.

Atlanta "is one of the better markets I've visited this year," Zandi said. "I think the health-conscious community will embrace the concept."

A second franchisee is in the works for the Johns Creek area, he said. Zandi expects 20 to 25 Extreme Pita stores in metro Atlanta in the next five years.

Pita's Republic, which opened its first restaurant in 1999 in Tampa, is looking at

Buckhead for expansion, CEO Elkasri said, as well as Atlanta's suburbs, such as Marietta.



Zandi
Extreme Pita

"We have 14 locations in Tampa and we are constantly expanding in [that] area," said Elkasri. "Everyone is looking for something that is healthy and nutritional that tastes good without spending a fortune. We embrace all that."

Atlanta is the first market for Pita's Republic outside of Florida, he added. "We are planning at least six locations. We'll expand from there."

Pita Pit, which has locations in Athens, Savannah, Valdosta and Statesboro, targets young people, particularly college students, said Corey Bowman, director of franchise development. The majority of Pita Pit's locations are anchored by a major college or university, he said.

The first metro location is expected to open in Decatur Square, not far from **DeVry University**, and Bowman believes the Atlanta market could see explosive growth.

"We're at 200 locations in the United States and 100 in Canada," he said. "We believe we could have 3,000 [locations] in the United States. That means we can have

100 [locations] in the greater Atlanta area."

Local pita-centric restaurants are also seeing growth.

Grecian Gyro is an Atlanta-based, family-owned Greek restaurant specializing in gyro wrap sandwiches.

Grecian Gyro has three restaurants, in Hapeville, Tucker and Forest Park, but is just starting to sell franchises of the concept, said George Koulouris, company manager.

"We're going to be expanding our concept throughout metro Atlanta and Georgia," he said. Next summer he expects locations in Smyrna and Peachtree City.

Koulouris believes the pita and wrap sandwich sensation has caught on because customers are looking for lighter fare.

Atlanta-based, privately held **Great Wraps** has 18 metro Atlanta locations.

Great Wraps, which uses both tortilla and pitas to wrap sandwiches, has some room for growth in metro Atlanta, Chairman Mark Kaplan said.

"We could use one by **Emory [University]** and **Georgia Tech**," he said.

With 70 stores in the United States and 10 in development, Great Wraps expects slower growth, Kaplan said.

"We're looking for five more in the [Atlanta] market, probably East Cobb and Alpharetta," he said. "We'll take our time on that."

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