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Two new grocery stores to fill south metro vacancies

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South metro Denver is getting two new grocery stores that will occupy vacant storefronts.

Boulder-based Sunflower Farmers Market will open a store later this year at Arapahoe Marketplace on East Arapahoe Road in Greenwood Village.

Lakewood-based Vitamin Cottage plans a new outlet at the Cherry Knolls shopping center on South University Boulevard in Centennial.

Sunflower will occupy the majority of space vacated earlier this year by Albertsons, while Natural Grocers by Vitamin Cottage takes about half the square footage of an empty Safeway site.

"They'll do quite a lot of good for the shopping centers," said Elizabeth Gold of GDA Real Estate Services Inc., which leases space for both properties.

Safeway and Albertsons pulled out of the centers last year in consolidation moves.

While most grocery chains aren't expanding aggressively amid continued economic weakness, smaller grocers have weathered the downturn better, said retail analyst Drew White of Sageworks Inc.

Major grocers have shaved profit margins in order to cut prices and stay competitive, but smaller chains tend to have more loyal customers, enabling them to limit price cuts and preserve margins, White said.

The Arapahoe Marketplace store will be the 10th in Colorado for fast-growing Sunflower, which operates 27 outlets in six Western states. Four more stores are under development.

"We like the demographics at Arapahoe Marketplace," said Bennett Bertoli, vice president of real estate for Sunflower. "It should be a strong store for us."

Vitamin Cottage has 31 stores in Colorado, New Mexico and Texas