The Territory Government has selected Australian Property Projects Pty Ltd (APP) to redevelop the site after calling for expressions of interest in December.

Housing Minister John Ah Kit said companies wishing to redevelop the site had to satisfy two essential conditions – to enhance the neighbourhood and to provide benefit to Alice Springs.

"My Department has selected APP to redevelop the site and I am confident those two criteria will be well and truly met," Mr Ah Kit said.

Mr Ah Kit said APP will demolish seven of the existing 58 units, spend $35,000 per unit upgrading the interior of the remainder, build carports, a swimming pool, a gym, a recreation area and landscape the entire block.

The upgraded units will be for private sale.

"APP have a successful record of developing other residential properties in Alice Springs," Mr Ah Kit said.

"Proceeds of the sale of the site will go towards future Territory Housing projects in Alice Springs.

"I am certain this redevelopment will enhance the neighbourhood as well as providing a raft of new housing opportunities for the town.

"The previous Government had planned to demolish the complex and subdivide the block for resale.

"However, that would have been a very expensive way to provide very small amounts of land to the market."

Mr Ah Kit said the transfer of freehold title will occur on completion of the development to the satisfaction of the Government.